Daily Report

Latin America

FBIS-LAT-92-014
Wednesday
22 January 1992

Daily Report
Latin America

FBIS-LAT-92-014 *22 January 1992*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

CARIBBEAN

Cuba

Malmierca Talks About Socialism, Tourism *[La Paz TV]* 1
Aldana Reacts to Spanish Accusations on Execution *[Madrid Radio]* 3
Havana Radio Reports *[Havana Radio]* 3
Roundup of Reaction to Dissident's Execution *[Hamburg DPA, etc.]* 4
Court Member on Sentencing Decision Factors *[Havana Radio]* 4
Death Penalty Analyzed *[Havana Radio]* 5
Salvadoran Agreements Viewed as FMLN Victory *[Havana Radio]* 5
Solidarity Committee Created in Venezuela *[Havana TV]* 6
Swiss Group for Solidarity Donates Supplies *[Havana Radio]* 6
Cypriot Official Tours Athletic Facilities *[Havana Radio]* 6
Castro Presents Awards to Best Athletes of 1991 *[Havana TV]* 6
Las Tunas Exceeds Quota; Blackouts Scheduled *[Havana Radio]* 7
Isle of Youth Efforts To Save Fuel Reported *[Havana Radio]* 7

Haiti

'Flier' Signatories Not Speaking on Behalf Army *[AFP]* 7
Army Denial Reported *[Port-au-Prince Radio]* 8
More on Army Denial *[LE NOUVELLISTE 20 Jan]* 8
Senate Rejection of OAS Invitation Explained *[Port-au-Prince Radio]* 8
Senators on Aristide Negotiating Position *[Port-au-Prince Radio]* 8
Gunfire, Threats Against Theodore Reported *[LE NOUVELLISTE 20 Jan]* 9
Caricom Regrets Failed OAS Negotiations *[CANA]* 9
Deputies Travel to Geneva for Lawmakers Meeting *[Port-au-Prince Radio]* 9

Trinidad and Tobago

New Government Announces 1992 Budget, Measures *[CANA]* 10

CENTRAL AMERICA

El Salvador

UN Military Observers Begin Arriving 20 Jan *[LA PRENSA GRAFICA 21 Jan]* 11
FMLN Commander on Future of Rebel Forces *[San Salvador Radio]* 11
FMLN Radio Rejects Government-Sponsored Amnesty *[San Salvador Radio]* 11
Church, Worker Sectors React to Amnesty Proposal *[San Salvador Radio]* 12
Human Rights Commission Opposes Amnesty *[San Salvador Radio]* 13
END Reports Capture of Army Infiltrators *[San Salvador Radio]* 14
FMLN Central Front Reports Army Infiltration *[San Salvador Radio]* 14
FMLN Rebels Reportedly Sack National Archives *[EL DIARIO DE HOY 18 Jan]* 15
'Territorial Service' Commander Murdered *[San Salvador TV]* 15

Guatemala

Unidentified Body of 'U.S. Citizen' Found *[Guatemala City TV]* 15
Rebels Damage Air Force Plane, Attack Garrison *[PRENSA LIBRE 16 Jan]* 15
Rebels Inflict 70 Casualties on Army 8-15 Jan *[Mexico City NOTIMEX]* 16

Defense Minister: Army Willing To End Conflict *[PRENSA LIBRE 20 Jan]* 16
URNG Conditions Peace To End of Repression *[Madrid EFE]* 17

Honduras

Mexico To Sign Agreements, Refinance Debt *[TIEMPO 21 Jan]* 18
Callejas Visiting Mexico Expresses Views *[Tegucigalpa Radio]* 18
Commander in Chief Views Possible Army Reduction *[Tegucigalpa Radio]* 19
Investigation of Soldiers' Deaths Completed *[TIEMPO 16 Jan]* 20
* Regular Army Combating Street Crime in Capital *[TIEMPO 16 Nov]* 21
Official on Return of Rebels, Immigrants *[TIEMPO 17 Jan]* 21
* Farming Provides 50 Percent of All Jobs *[LA PRENSA 16 Oct]* 21

Nicaragua

Presidency Minister Comments on Baker Visit *[LA PRENSA 18 Jan]* 22
Recompas Sign Disarmament Pact With Government *[Madrid EFE]* 24
Further on Agreement *[BARRICADA 17 Jan]* 24
Demobilization Begins *[BARRICADA 19 Jan]* 25
Recontra Leader Appointed *[BARRICADA 19 Jan]* 26
Humberto Ortega Letter on Award to U.S. Attache *[BARRICADA 20 Jan]* 26
Ortega Criticized *[Managua Radio]* 27
Aeronica Workers Prevent Departure of Flights *[AFP]* 28

Panama

Presidency Calls Meeting To Discuss Crime *[Panama City TV]* 28
Ford, Others on 'Destabilizing Actions' *[Panama City TV]* 29
Former Defense Force Members Under Investigation *[EL SIGLO 17 Jan]* 30
Police Detain Bombing Suspects for Questioning *[Panama City]* 30
Alleged M-20 Guerrillas Training in Pacora *[CRITICA LIBRE 19 Jan]* 31
Producers Request Government Suspend 'Ford Plan' *[EL PANAMA AMERICA 19 Jan]* 31
Diplomatic Relations With Mexico To Resume *[Panama City TV]* 32

SOUTH AMERICA

Argentina

Menem Denies Rumors of Cabinet Departures *[BUENOS AIRES HERALD 21 Jan]* 33
Menem Says Subversive Elements 'Eradicated' *[BUENOS AIRES HERALD 21 Jan]* 33

Bolivia

COB Agrees To Resume Talks With Government *[La Paz Radio]* 33
San Jose Mine Occupied by Workers, Closed *[La Paz Radio]* 34
ADN Grants General Banzer Full Powers *[La Paz Radio]* 34
Roundup of Economic Reports 9-15 Jan *[EL DIARIO 24 Dec, etc.]* 34

Brazil

Spokesman Denies Rumors About Collor's Health *[O ESTADO DE SAO PAULO 21 Jan]* 34
Sao Paulo Continues To Pay Pension Readjustment *[Rio de Janeiro TV]* 35
Marques Justifies Freeze on Pension Increase *[O GLOBO 20 Jan]* 35
New Labor Minister on Social Security Problems *[FOLHA DE SAO PAULO 19 Jan]* 35
Satellite Launch Delayed for Lack of Funds *[O GLOBO 18 Jan]* 36
'Standstill' Reported at Power Plant Sites *[VEJA 15 Jan]* 37
Braspetro To Explore for Oil in Cuba *[O GLOBO 17 Jan]* 37
Vaccines To Be Produced With Cuban Technology *[Brasilia Radio]* 37

Cultural Sanctions Against South Africa Lifted *[Johannesburg Radio]* 37
* Franco Views Cabinet, Prices, Privatization *[MANCHETE 28 Dec]* 37
* Year-End Poll Reflects Unprecedented Pessimism
[O ESTADO DE SAO PAULO 29 Dec] 40

Chile

Lagos on Designation as Presidential Candidate *[Santiago Radio]* 41
Economic Team Announces New Measures *[Santiago Radio]* 41
Krauss Discusses Charges Against Lautaro Members *[Santiago Radio]* 42
MPMR Threatens To Help Prisoners Escape *[Santiago Radio]* 43
Vega Says Arms Affair Affected Country's Image *[Santiago TV]* 43
* Central Bank President on Economic Targets *[EL MERCURIO 10 Dec]* 43

Colombia

Port Workers Declare General Strike *[Santa Fe de Bogota TV]* 45
Port Decision 'Irreversible' *[Santa Fe de Bogota TV]* 45
CNGSB Welcomes New Government Peace Adviser *[Santa Fe de Bogota Radio]* 46
* Government Outlines Five-Point Peace Strategy *[EL ESPECTADOR 12 Dec]* 46
* Constitutional Court, Tutela Procedure Assessed *[EL ESPECTADOR 21 Dec]* 47
* Economic Statistics for Jan-Sep 1991 Disputed 50
* DANE Figures *[EL ESPECTADOR 11 Dec]* 50
* Government Estimates *[EL ESPECTADOR 14 Dec]* 51
* Differences Enumerated *[EL ESPECTADOR 22 Dec]* 52

Ecuador

Foreign Minister Reacts to Peruvian Proposal *[Quito Radio]* 53
Fujimori, Bolivia's Paz Zamora To Meet 24 Jan *[Lima TV]* 53
Libyan Minister on Oil Production Decrease *[Quito Radio]* 54
* Guayaquil Municipal Workers Scandal Examined *[HOY 17 Dec]* 54

Paraguay

Rodriguez Returns From Trip to Uruguay *[Asuncion TV]* 55
UK Minister of Foreign Affairs on Official Visit *[ABC COLOR 20 Jan]* 55
Budget Allocates Funds for Foreign Debt *[ULTIMA HORA 21 Jan]* 56

Venezuela

Government Willing To Supply Oil to CIS *[Madrid EFE]* 56
* Early Presidential Polls Show Caldera Leading *[EL DIARIO DE CARACAS 27 Dec]* 56
* Commentary Analyzes MAS Electoral Strategies *[EL NACIONAL 23 Dec]* 59

Cuba

Malmierca Talks About Socialism, Tourism

PY2001174092 La Paz Television Boliviana Network in Spanish 0044 GMT 20 Jan 92

["Exclusive" interview with Cuban Foreign Minister Isidoro Malmierca by Raquel Cor, Bolivian correspondent in Havana representing the Bitacora television program; recorded—date not given]

[Text] [Cor] Mr. Isidoro, what is the current situation of socialism in Cuba, and what do you think of Cuba's future?

[Malmierca] If I must summarize our current situation in one word, I should say: Work. We understand that the work and effort made by our people, workers, and scientists to face the enormous difficulties stemming from the disappearance of socialism in Europe, the changes in the former USSR, and the problems in all fields, especially in the economy, represent our country.

We repeatedly said, and I think it is well known, that the accomplishment of socialism in Cuba is the result of our people's decision, will, and struggle. We did not inherit it, we did not receive it with a silver spoon. We consider this authentic traits of our socialist revolution as one of the decisive factors that make us trust that with the effort of our people we will be able to surmount our difficulties and continue making progress in the development and improvement of the Cuban socialist institutions. This is why we consider that the effort of our people, which I already mentioned, is our people's response to all those difficulties. [words indistinct] not only their will and dedication, but given the results which were really exceptional. If we mention the work of our scientific researchers, not only do they totally dedicate themselves to their work in exemplary fashion, but through the results they obtained they made important contributions, not only in the field of science, but also in the economy, increasing our exports and our income. This is why we are considering this a challenge that will demonstrate the quality of our revolution. We trust that we will overcome this situation and come out of it stronger.

[Cor] What are—from the political and economic point of view—the effects in Cuba of the downfall of the socialist system in Eastern Europe?

[Malmierca] I just said that the consequences are mainly economic. To speak the truth, talking about the downfall of the socialist system may not be the most precise term. We consider that the model implemented by some East European countries did not correspond to the socialist institutions as we uphold them. There used to be considerable differences of quality with our socialism. Without doubt, the main effects are economic. The disappearance of some countries, such as the GDR, which was our second commercial partner [preceding word in English], of our trade relations with other East European countries, and of the USSR, plus the transformations that greatly hindered the agreements between Cuba and the USSR, represented great difficulties in the economic field which can be estimated in the billions of dollars. We should have traded many products according to the agreements we signed with the USSR. Cuba supplied the USSR with about 4 million tons of sugar per year, hundreds of thousands of tons of nickel, hundreds of thousand of tons of agricultural products, especially citrus fruits, medicines, vaccines, highly technical medical equipment, and other minerals, etc. In turn, we did not receive oil, which is a key factor in our trade with the former USSR, and hundreds of other products. The supply of oil was nonetheless the least reduced. As for the other products, we received absolutely nothing in some cases, or only a very low percentage, like 10 or 15 percent.

In his opening speech at the Fourth Congress of the Communist Party of Cuba [PCC], President Fidel Castro explained this situation in detail, demonstrating how we lived during 1990 and 1991, facing no less difficult situations. In many cases we substituted fuel, as in the case of the sugar industry, seeking solutions that would allow us to supply sugar without using fuel. We used sugarcane as an energy source. In other cases we sought more technical solutions to reduce our energy consumption. In other cases we asked our people to reduce their consumption. Although for many years our people increased their energy or electricity consumption, in 1991 such consumption decreased by practically 10 percent. This was each family's reply to our need to save. Thus, these solutions to which I referred are the ways we faced our main economic consequences.

[Cor] Foreign Minister, is the development of tourism not considered an important source of hard currency income for Cuba?

[Malmierca] Yes, of course, we consider it to be one of the most rapidly growing sources of income which will help us to multiply our hard currency. In 1991, we built more than 4,000 new hotel rooms for tourists, 1,000 of which are in five-star hotels. We plan to finish building 4,000 more hotel rooms in 1992. These are important efforts which have not been reduced. Despite all our limitations, despite this complicated stage I talked about before, none of the tourist development plans have been halted or reduced. We are trying to accelerate this development. Tourism represented a considerably important source of income in 1991, amounting to more than $400 million. We trust that shortly—in few a years—our income from tourism will increase to more than $1 billion annually.

[Cor] Could you summarize the achievements of the revolution in the field of health and education?

[Malmierca] There are some truly representative figures. In 1958 the infant mortality rate was 60 per 1000. This figure has currently dropped to a little over 10 per 1000. This is just an example. No other Third World country can compare with us in this area, and there are few

developed countries with figures like ours. Our life expectancy rate also increased. Our current life expectancy is 74 years of age for women and a little less for men. This means that life expectancy increased by 15 years in comparison with the first years after the triumph of our revolution.

Any Cuban citizen, no matter in what region he may live or his living or work situation, currently has guaranteed medical assistance. For example, no mother lacked prenatal medical attention or the necessary medical or clinical assistance for her child's delivery. We think these are important achievements.

I also think important achievements with international acceptance were attained in the medical and scientific fields. I am speaking of new medicines, new vaccines. For example, epidemic [words indistinct] which helps save the lives of people with burns over more than 50 percent of their bodies and who could have died in the past, now are being saved. I am speaking of vaccines, such as the B-type meningococci vaccine, is also a Cuban discovery which has already been exported, contributing to increase our hard currency income. We already sold vaccines and medicines for tens of hundreds of millions of dollars. We have a large demand for our products from many countries in our region, such as Brazil, Venezuela, Colombia, and Mexico, and also from the CIS, the former USSR. We also established medical trade relations with the PRC and India, countries with large populations. I think that those are the factors to which we may refer to in the health field.

As for education, before we began this interview I was telling you that once [name indistinct] was asked about the most important achievements of Cuban culture. Without hesitation he answered: the literacy campaign. At the time they had promised to effectively educate all our people. We had more than 1 million illiterate adults in 1961. That campaign allowed us to teach them to read and write. We continued with that effort. We conducted a follow-up campaign not only to teach them to read and write but to really acquire knowledge. Many of those students not only [words indistinct] but they even turned into professionals as a result of their effort.

When our revolution succeeded there were three universities in our country. Today, there are more than 40 universities all over the country.

[Cor] [question indistinct]

[Malmierca] A remarkable effort has no doubt been made in promoting solidarity in this area. At present we have more than 20,000 foreign students in Cuba. These students, who come from 82 different countries, are studying various university careers. Yet some of them are also taking technical courses and some are in secondary and preparatory schools as well. A truly major effort is being made in this area.

Thousands of foreign students who graduated in Cuba have returned to their countries. Colleagues from other countries have considered this element to be a major difference compared to other countries; that is, when a country sends a group of students abroad, the best ones usually do not come back. The best students stay either in the country where they studied or in another place where they could earn a higher salary than what they would get at home. One hundred percent of those who graduated in Cuba have returned to their home countries. The fact is that in training these foreign students we urge them to honor their commitment to serve their people.

I believe education should not only be evaluated in terms of grades giving a student access to higher education. There are many other elements, many other factors. The fact that we have more than 300,000 university students now and that more than 40,000 physicians have graduated since the triumph of our revolution are proof of our achievements in this field.

[Cor] Do you believe that the acts of provocation perpetrated by subversive elements have been instrumental in strengthening the Cuban people's revolutionary ideas?

[Malmierca] There is no doubt about that. For more than 30 years we have been forced to work under the conditions created by steady, frequent aggressions of U.S. imperialism. This has no doubt been a factor in making our people's revolutionary resolve stronger and deeper.

In recent days we had to regret terrible actions [words indistinct] such as the murder of the combatants at the Tarara naval base. In their response during the funeral and burial of the combatants, our people demonstrated their resolve to defend what they have achieved through work, sacrifice, and efforts. Those seeking to intimidate our people are mistaken. These actions only make our people more determined to defend their achievements and to continue to improve our revolution.

I believe you must have had a truly moving personal experience during the past few hours, during the past few days.

[Cor] (?It has been) moving for us. What is your opinion of Commander Fidel Castro from the human standpoint?

[Malmierca] I have known Fidel Castro for quite a long time, even before the assault on the Moncada barracks. We first met more than 40 years ago in 1950, when I was carrying out some activities among young people. We were not members of similar organizations, but agreed on some activities aimed at defending clean elections, and on some acts of solidarity with the people of Puerto Rico.

At that time, around 1950 and 1951, Fidel Castro was a very attractive figure. It became clear to us that he was not just another friend, that he was not just another ordinary person. Over the years I shared various occasions and situations with President Fidel Castro.

I should first refer to President Castro's humaneness and kindheartedness, and to his concern about our people which has resulted in exceptional situations. For instance, when Hurricane Flora caused serious damage in our country when floods left more than 1,000 victims in our country, President Castro deemed it his duty to visit the flooded areas and to take part in rescue operations. He has always felt truly committed to our people. [words indistinct] at least in my opinion, this is what brings him close to our people.

[Cor] What message would you convey to the Latin American people in general and to the Bolivian people in particular?

[Malmierca] Many people claim that the world has changed. I believe it is true that we are living in a different world. I believe it is safe to consider that the risks for mankind to face a nuclear catastrophe, for the extinction of the human race as a consequence of such a catastrophe, have been reduced. We cannot say that these risks have disappeared, but they have been markedly reduced. I believe this is a positive factor.

Nevertheless, whenever [words indistinct] the positive element is always highlighted, but the other elements are overlooked. I believe that the elimination of conflicts between the East and the West by replacing confrontation with cooperation, could be a positive, favorable factor. Yet, the great conflict, which existed before and which is stronger today, is the conflict between the North and the South, between the developed North and the underdeveloped South. I believe the lesson we should draw from this new time, from these major changes, is the need for us to strengthen our ties, to have stronger and fruitful relations. North-South relations must change, but this will only happen if the South becomes increasingly united, stronger, and treads on the path of true independence. I believe this is the message I could convey to the people of the Latin American region.

I want to tell Bolivia—all Bolivians—that I maintain very fond memories of my visit to your country, where I received expressions of solidarity with the Cuban people's struggle from all segments of society throughout the country. I am still moved when I remember my visit to the Bolivian Congress and my meetings with students and other groups. Every activity I held there was marked by great solidarity. I would say that more than a friendship, I received there expressions of fraternal solidarity, for which I now want to convey my sincere gratitude.

When I arrived at El Alto airport I said I was sorry I was arriving by plane, that I wished I had arrived by boat at a Bolivian port. Unfortunately, some people laughed, and others applauded me, because there were many people even though it was late at night. It was actually early in the morning when we arrived, but there were many people there to meet us.

I believe that on this occasion we must reiterate our solidarity with that demand which is deeply cherished by the Bolivian people.

[Cor] What is the current status of bilateral relations between Bolivia and Cuba?

[Malmierca] I believe we should characterize them as very positive. I believe we can do more. I believe conditions are appropriate for us to make further progress. Because our relations have grown and have strengthened we believe we can take new, more significant steps.

We are linked by ties in various areas. We are linked by cooperation in the area of medicine. Our physicians have gone not only to La Paz, but to other Bolivian cities to cooperate in health efforts. We have also sent coaches to help with sports programs. There have been cultural exchanges between our two countries. Not only have Cubans gone to Bolivia, but we have also hosted Bolivians in our country. We trust we can continue to make progress in all these areas.

I believe we have fallen behind in our economic-trade cooperation. There are things we could and should do, but I believe there is a mutual will to achieve this.

Aldana Reacts to Spanish Accusations on Execution

LD2201105192 Madrid RNE-1 Radio Network in Spanish 0900 GMT 22 Jan 92

[Text] Carlos Aldana, secretary of the Central Committee of the Cuban Communist Party, says that the execution of the anti-Castroist Eduardo Diaz Betancourt is an act of political courage. Aldana said this in response to statements made by Spanish Foreign Minister Fernandez-Ordonez, in which the latter called Betancourt's execution an act of political weakness. According to the secretary of the Central Committee of the Cuban Communist Party, this execution is a legitimate juridical act and an expression of courage in the face of lack of understanding, slander, and manipulation by certain circles of international public opinion.

Havana Radio Reports

FL2201130692 Havana Radio Progreso Network in Spanish 1200 GMT 22 Jan 92

[Text] Carlos Aldana, member of the Politburo of the Communist Party of Cuba, has pointed out that the use of the death penalty against the leader of a terrorist squad that infiltrated Cuba, is an expression of political courage in the face of lack of understanding, slander, and manipulation by certain circles of international public opinion. Aldana commented on the statements of Spanish Foreign Minister Francisco Fernandez-Ordonez, whom Aldana said has a very peculiar notion of what is called strength or weakness in political terms.

Meanwhile, the Mexican Government stated that it traditionally respects other countries' decisions regarding internal affairs. The Mexican Foreign Ministry pointed out that the use of the death penalty is the concern of the Republic of Cuba.

Roundup of Reaction to Dissident's Execution

PA2201025492

[Editorial Report] Following is a compilation of reports carried by media in Panama Bureau's coverage area on reaction to Cuban dissident Eduardo Diaz Betancourt's execution in Havana on 20 January. Source follows in brackets after each item.

COSTA RICA

Foreign Minister Bernd Niehaus said on 21 January that Diaz Betancourt's execution on 20 January is a example of the situation "being withstood by the Cuban people." According to Niehaus, every country on the continent should state its rejection of an act that is "unacceptable" to civilized countries. Niehaus said that Costa Rica endorses Cuba's return to the OAS, provided it respects the basic principles of the organization's Charter. He added that Cuba must opt for a change and offer "liberty and democracy" and respect human rights to "return to the Latin American family." [Hamburg DPA in Spanish 1819 GMT 21 Jan 92]

HONDURAS

President Rafael Leonardo Callejas on 21 January condemned the execution, calling it an act "devoid of humanity" that does not contribute to Cuba's attempt to integrate into Latin America. During a news conference held at the end of an official visit to Mexico, Callejas said the anti-Castro activist's execution on 20 January will "increase Cuba's isolation....and it hardly benefits Cuba's integration to the democratic system" prevailing in Latin America and the rest of the world. [Paris AFP in Spanish 2042 GMT 21 Jan 92]

MEXICO

Deputy Foreign Secretary Javier Barros said on 21 January, referring to the execution, that Mexico's foreign policy is based on respect for the internal decisions made by countries with which it maintains diplomatic relations. [Madrid EFE in Spanish 2247 GMT 21 Jan 92]

NICARAGUA

President Violeta de Chamorro on 20 January criticized the execution after Diaz Betancourt was condemned for participating in alleged terrorist acts. Presidency Minister Antonio Lacayo stated that the Nicaraguan Government rejects the execution. At least two of the three accused men were not sent to the firing squad, he said. [Hamburg DPA in Spanish 2306 GMT 21 Jan 92]

VENEZUELA

The Christian Democratic Organization of America (ODCA) condemned on 21 January Diaz Betancourt's execution and asserted that it shows that the Cuban authorities "despise the international community's opinion." According to the ODCA, the Cuban authorities' decision to execute Diaz Betancourt, disregarding the many appeals for leniency issued by governments and people of different ideologies, is an act that "alienates even more that government from the Latin American community's feelings and values." The ODCA will ask the UN Human Rights Commission to consider the case and exert its influence so that the Cuban Government "abstains from carrying out unacceptable executions." The ODCA declaration states that depriving a human being of his life is the "most grave human rights violation, and the Cuban Government's act, as that of any other that results in a similar measure, deserves the international community's most categorical condemnation." [(Madrid EFE in Spanish 2050 GMT 21 Jan 92]

Court Member on Sentencing Decision Factors

FL1701155692 Havana Radio Progreso Network in Spanish 1154 GMT 17 Jan 92

[Interview with Guillermo Hernandez Infante, member of the Supreme People's Tribunal, by judicial correspondent Alemai, at the Supreme People's Tribunal in Havana, date not given—recorded]

[Text] [Alemai] During an interview with Dr. Guillermo Hernandez Infante, member of the Court for Crimes Against State Security of the Supreme People's Tribunal, he explained the ratification of the death penalty for two of the three terrorists of Cuban origin who infiltrated the country on 29 December, and the commutation of the death penalty for a third one.

[Hernandez] Our legal system establishes the death penalty as a sanction in extraordinary cases. This means that it makes everyone involved in a process of this kind to analyze, individually for each accused, each and every favorable as well as negative fact. In this case, each of the three accused bears a similar responsibility because all three entered national territory carrying weapons and supplies, with the intention of attacking our country and people to cause damage and carry out terrorist acts. There is no doubt that all three are responsible in a similar way, but we must analyze their respective attitudes.

The record of the first indicates he is a outright criminal, with several crimes on his record, someone who left the country nine months before this infiltration, who cannot possibly claim that he was unaware of the Cuban reality, and who chose to infiltrate the country knowing well the work of the revolution. I am refering to Eduardo Diaz Betancourt.

Santovenia is in a similar situation. He left the country when he was 14 years old and was aware of the Cuban reality. All three had been training for sometime to infiltrate the country. However, the third accused individual, Pedroso, was enlisted at the last minute. It was proven that someone who was planning to come along with the other two, with Diaz Betancourt and Santovenia, became sick at the last minute or the day before, or faked it. We do not know what happened, but he asked Pedroso to join the mission, which he did.

Pedroso left the country when he was six years old. Pedroso is an individual who, as you observed when he was before the cameras, maintained that expression which the people in the streets are calling the face of an idiot. That face is the result of the fact that he has problems speaking and understanding Spanish. There are many words that he does not understand. Therefore, the sum of all the facts convey a different picture of this individual in relation to the other two. Independently, despite the fact that his psychological analysis reveals that he is a normal individual, he has an easily impressionable personality. He is easily influenced by others. He is also the youngest of the three.

These are the general facts, I cannot recall all of them. I forget many of them, but in general these are the factors that prompted a different treatment for the other two accused. This is why the death penalty was ratified for Eduardo Diaz Betancourt and Daniel Candelario Santovenia Fernandez, but Pedro de la Caridad Alvarez Pedroso received a sentence of 30 years imprisonment.

During the next few days the Council of State will discuss the death penalty sanctions imposed on these two accused, in accordance with Article 488 of the legal proceedings law, which gives the highest organ of government the right to ratify the death penalty or commute it to a 30-year sentence.

Death Penalty Analyzed

PA2201035192 Havana Radio Havana Cuba in Spanish 0238 GMT 22 Jan 92

["Analysis of the Enforcement of Cuban Justice Against Terrorism" by Amalia Sanmartin]

[Text] The death penalty, a sentence that Cuban laws reserve for exceptionally dangerous cases, is enforced as an inevitable measure when dealing with terrorist actions such as those the team that infiltrated the country weeks ago intended to carry out, and concerns the different courts that handled the problem and issued different rulings.

Before we continue it is appropriate to recall that the Cuban Penal Code Article 124, Paragraph B, states that whoever enters the national territory in a clandestine way to perpetrate any crime against state security will be subject to a prison term ranging from 10 to 20 years, or to the death penalty. This means that, although the weapons, explosive devices, or enemy propaganda that the infiltrators brought were not used, the law states that the death penalty sentence is valid for them. Nevertheless, the case was handled by three judicial courts, which issued different rulings.

Although the Havana Provincial Tribunal demanded the maximum sentence for the three prisoners, the Supreme Tribunal ratified the sentence for Eduardo Diaz Betancourt and Daniel Santovenia Fernandez and changed it to a 30-year sentence in Pedro Alvarez Pedroso's case. With regard to the latter, the Supreme Tribunal said that it considered it an attenuating circumstance that the prisoner is only 26 years old, and that he has spent 21 of these years living in the United States—in a warped atmosphere that even led him to use drugs. The Supreme Tribunal also took into consideration the fact that Alvarez Pedroso was recruited barely one day before the action, and his age makes it possible to reeducate him.

The case was finally turned over to the Council of State, which commuted the death sentence against Santovenia Fernandez to a 30-year prison term; it did not exercise the right to pardon Diaz Betancourt, whose sentence has already been carried out. Referring to Diaz Betancourt's case, the different courts considered him to be an extremely dangerous person who had repeatedly perpetrated common crimes and who led the infiltration team. As such, he had received special training to perpetrate crimes against the Cuban people and state security.

In this case of terrorism it is appropriate to mention that the Havana Provincial Tribunal, the Supreme Tribunal, and the Council of State thoroughly studied the cases before issuing their rulings. The 30-year prison sentence against two of the prisoners and the maximum sentence against the third marks the end of an adventure that started in the training camps that anti-Cuban groups maintain in U.S. territory without the U.S. authorities' objections.

Salvadoran Agreements Viewed as FMLN Victory

PA1801042992 Havana Radio Havana Cuba in Spanish 0100 GMT 17 Jan 92

[Manolo Ortega commentary: "Our America"]

[Text] The touching ceremony on the occasion of the signing of the Salvadoran peace agreement has passed. Presidents and other guests, and old rivals as well, descended the ancient steps of the grandiose monument to the child heroes of Chapultepec in Mexico City. It can be said, then, that this is where the real reconstruction of Salvadoran society begins, amid an atmosphere that everyone hopes will be truly peaceful.

I could not be accused of grandiloquence or exaggeration if I were to say that 1992 has begun with the solution—at least the formal solution—of one of Latin America's leading conflicts. Nevertheless, much is left to be done from this point on, and it will require political resolve, seriousness, and a great desire to live in peace, especially among sectors that for a long time made a living from the war.

After 12 years of war that left an aftermath of almost 80,000 dead, 20,000 maimed, and 100,000 displaced, and the destruction of the national economy, the conflicting sides managed to reach an agreement on the topics of an agenda which, according to experts, can transform the country into a democratic state.

Progress, setbacks, falls, and mutual distrust seem to have been left behind when, finally, the conflicting sides,

with a United Nations mediator, gave the world a plan to make Central America's tiniest country a new, demilitarized area where fundamental human rights are respected.

In the final analysis, it would be unfair to overlook a peacemaker who also played a fundamental role in the different phases of the dialogue: The efforts of the Salvadoran popular movement notably contributed to making the government sit at the negotiating table. Even though some analysts are of the opinion that there was a military draw between the contending sides—guerrilla and Army—the signing of the agreements is a large-scale political victory for the rebels because of the transformation it will promote.

The country model that the insurgents desired when they initiated the struggle could begin to be built with the reduction and restructuring of the Armed Forces, the dissolution of the paramilitary groups, the launching of new security forces with a different doctrine, and changes in the electoral, legal, and social-economic systems.

One of the issues that always aroused the highest expectations during the rounds of dialogue was the future of the Salvadoran Army, which is considered the best trained in Central America, and also the most stubbornly opposed to reforms for fear of affecting its sphere of influence. Nevertheless, as of 1 February when the cease-fire goes into effect, the Salvadoran Armed Forces must restate its doctrine, constitutional mission, and commands. It must likewise conduct a purge, reduce its size, and distance itself from the security forces which, for almost 90 years, have been under its custody and power.

As for the FMLN [Farabundo Marti National Liberation Front], although some experts feel that it gained nothing from the talks, it has before it a wide range of possibilities for developing and deepening its political program as a party, and for waging different battles in the field of internal transformations. For these and many other reasons, thousands of Latin Americans really would not like any stumbling block whatsoever to get in the way of Salvadoran peace; they would like the military, who lived off of the war for so many years, to adhere to the agreements, and for a path to be opened for hope and a life of dignified and progressive work.

These winds of hope may begin to blow from the castle of Chapultepec in Mexico, a country that has contributed so much to making peace a reality.

Solidarity Committee Created in Venezuela

FL1701131192 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 17 Jan 92

[Text] A committee for solidarity with the Cuban people has been formed in Caracas by a group of prestigious Venezuelan academics. Hector Balade of the Central University of Venezuela said the bank account opened by the committee is intended to collect enough funds to send 20,000 barrels of oil to Cuba. For his part, the chairman of the Economic and Social Sciences Department of the Central University of Venezuela added that the agreements that exist with the University of Havana are also evidence of the wishes for closer ties with Cuba.

Swiss Group for Solidarity Donates Supplies

FL1801145692 Havana Radio Rebelde Network in Spanish 1255 GMT 18 Jan 92

[Text] Sergio Corrieri, member of the Central Committee of the Communist Party of Cuba and president of the Cuban Institute for Friendship With the Peoples, has received at that institution's offices a donation worth over $10,000, consisting of newsprint, computer paper, medicine, clothes, and baby bottles. (Franco Consolacio), president of the Committee for Aid and Solidarity With the Cuban Revolution in Ticino Canton, Switzerland, delivered the donation, which is part of an intense campaign of material aid through which medicines, medical equipment, and educational materials, among other things, have also been delivered during recent years. Political and labor organizations in that Swiss region are participating in this campaign of solidarity with Cuba, coordinated by the aid committee.

Cypriot Official Tours Athletic Facilities

FL2001230692 Havana Radio Reloj Network in Spanish 2055 GMT 20 Jan 92

[Text] (Adhamos Yiannidhis), Cypriot minister of sports, [title as heard] has toured sports installations used for the Havana 91 Pan-American games as part of his seven-day work schedule in Cuba. During his stay in Cuba, he will meet with Conrado Martinez, president of the National Sports, Physical Education, and Recreation Institute, and with Antonio Posas, director of the Higher Institute of Education and Physical Culture. His schedule also includes a visit to the national museum of sports; an interview with Manuel Gonzalez Guerra, president of the Cuban Olympic Committee; a visit to the High Output Training Center; and a visit to the Institute of Sports Medicine; among other institutions.

The Cypriot minister of sports and the delegation accompanying him arrived last night in Havana and will return to Paris next Saturday.

Castro Presents Awards to Best Athletes of 1991

FL2201021092 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 22 Jan 92

[Text] Commander in Chief Fidel Castro Ruz presented awards today to the two best Cuban athletes of 1991. This distinction was given to runner Ana Fidelia Quirot and wrestler Hector Milian. During the ceremony, which took place this afternoon at the Palace of Conventions, Fidel also awarded the best team and the most outstanding individual and team sport. These honors were given to the men's fencing team, boxing, and volleyball.

(?respectively). The president of the Councils of State and Ministers also presented the trophy awarded to the Cuban team that competed at the 11th Pan-American Games for their outstanding work.

Likewise, the 10 best athletes of 1991 (?and the) most outstanding junior athletes were also given awards during the simple ceremony. At the ceremony, our commander in chief gave the Sports Merit Order, an award that is granted by the Council of State, to several athletes and sports workers. The Cuban team that competed at the Pan-American Games also received the Banner of Honor, which is granted by the national committee of the Union of Young Communists, from the hands of our commander in chief.

Las Tunas Exceeds Quota; Blackouts Scheduled

FL1601143892 Havana Radio Rebelde Network in Spanish 1255 GMT 16 Jan 92

[Text] Yesterday, Las Tunas Province again exceeded its energy quota by six megawatts. It had exceeded it electric energy consumption quota on previous occasions, but not by six megawatts. Blackouts will therefore be experienced in the following areas: from 1400 to 1800 in the Propulsion neighborhood, the Hermanos Mayo enterprise, and the neighboring loop of workshops; from 1700 to 0000 in the Buena Vista, Santo Domingo, Velasquez, and Aurora neighborhoods, and the Libertad area; and from 1900 to 2100 in the Victoria neighborhood and the animal feed enterprise area.

We need to be more careful when using electric energy.

Isle of Youth Efforts To Save Fuel Reported

FL2101201992 Havana Radio Rebelde Network in Spanish 0000 GMT 21 Jan 92

[Text] The Isle of Youth has increased its efforts to face the second stage of the special period. We received more information from the president of the People's Government on the Isle of Youth.

[Begin president recording] We have been working on this for almost a year now. We restricted the consumption of energy in various ways. For example, all the work centers, schools, and local bodies have been cooking with wood or coal for over a year. That allowed us to save approximately 1,000 tons of fuel. Following instructions given out to the people and local bodies, practically all use of air conditioners has been discontinued over the past few months except in technical centers or laboratories where they are required. As you can see, we have taken steps to obtain the support of all local bodies and the populace. [end recording]

Gasogenes and emulsifiers, which help save fuel, have also been produced on the island. In the interview with this news station, the president of the People's Government on the Isle of Youth discussed other meassures taken in the area of transportation.

[Begin president recording] More than 100 wagons are being used. The distribution of all food is done by wagon. Garbage is also picked up by wagon. Horse-pulled buggies have increased. In the area of transportation, buses have been modified so that one or two buses can be pulled with only one bus or engine. Tractors are being used because they waste less fuel and they can pull one, two, or three buses or [word indistinct]. [end recording]

We have heard the information given to this news station by the president of the People's Government on the Isle of Youth.

Haiti

'Flier' Signatories Not Speaking on Behalf Army

PA2101190592 Paris AFP in Spanish 1807 GMT 21 Jan 92

[Text] Port-au-Prince, 21 Jan (AFP)—The names of the signatories—who identified themselves as soldiers—of a threatening statement against a negotiated solution to the Haitian crisis, "do not appear in the rosters of the Haitian Armed Forces," (FADH) an authorized source from the Port-au-Prince police told AFP on 21 January.

"We can describe this document as a flier," the source noted, adding that, at any rate, "three soldiers have no right to speak on behalf of the Army; we have a hierarchy and one Army commander in chief."

In a statement broadcast yesterday over state-owned Radio Nationale, a sergeant, a corporal, and a soldier, describing themselves as "patriotic soldiers" and claiming to have the approval of "all of Port-au-Prince's military companies," announced that "we vow to fight to our last breath for the Armed Forces" so that the country will not fall prey to "the hungry wolves of the OAS and wandering Jew Jean-Bertrand Aristide (the toppled president)."

The signatories of the statement, which was written in virulent language, referred to Colombian Augusto Ramirez Ocampo, OAS mediator in the Haitian crisis and former foreign minister, as a "swine," and made threats against the "venal lawmakers" and "all the criminals and grave diggers of our fatherland who want to sell her out to the OAS colonialists." The OAS will sponsor soon a meeting in Washington between the Haitian sides to try to find a politically negotiated solution to the grave crisis in Haiti, according to well informed sources. Haiti's president, Father Jean-Bertrand Aristide, has been in exile in Caracas, Venezuela since 1 October after he was toppled on 30 September.

Army Denial Reported

FL2101224192 Port-au-Prince Radio Nationale in French 1800 GMT 21 Jan 92

[Excerpt] The names of those who presented themselves as soldiers and signed a threatening declaration against a negotiated solution to the Haitian crisis do not appear on the list of members of the Haitian Armed Forces, according to an authorized military source from the Port-au-Prince police, cited by the Port-au-Prince bureau of the AFP. The source explained that the published document is merely a leaflet, and that three soldiers in any case have no right to speak on behalf of the Army in which there is a hierarchy and a commander in chief. [passage omitted]

More on Army Denial

FL2101215792 Port-au-Prince LE NOUVELLISTE in French No. 34.220 20 Jan 92 p 2

[AFP report: "The Grass Roots Army Will Stage an Armed Resistance to Any Negotiated Solution To Restore the Overthrown President;" all single parentheses and quotation marks as published]

[Text] According to a statement read on 20 January on Radio Nationale, the state radio station, the grass roots segment of the Army will stage an armed resistance to any negotiated solution, under the auspices of the Organization of American States [OAS], to the overthrow of President Jean-Bertrand Aristide.

The station says that this declaration, written in virulent language and signed by three military men including Sergeant Jean-Robert Saint-Eloi, Corporal Ermet Frontus, and Soldier Leslie Pierre, was "approved by all the military companies of the capital."

"We swear to struggle with force of arms to our last breath rather than let our dear homeland fall into the hands of the plundering wolves of the OAS or the wandering Jew, Jean-Bertrand Aristide," says the document.

"We are more determined than ever to brandish arms rather than become prey to the flames of the Aristido-lavalassiennes hordes who support Aristide and his lavalas movement," they explain. "Who is Aristide? He was overthrown on 30 September and signed his resignation," they add.

"Only the head of the Executive (provisional President Joseph Nerette) is entitled to appoint a prime minister," they point out while calling the OAS mediator, former Colombian Minister of Foreign Affairs Augusto Ramirez Ocampo a "good-for-nothing," and accusing him of having violated the charter of the hemispheric organization. They address the "venal parliamentarians." They write: "Woe betide them," concluding their declaration with the following statment "Down with all criminals and traitors of the homeland who will sell it at any cost to the OAS colonialists."

Senate Rejection of OAS Invitation Explained

FL2201003192 Port-au-Prince Radio Metropole in French 1700 GMT 21 Jan 92

[Passage in italics in Creole]

[Text] Dejean Belizaire, president of the National Assembly, says yes to negotiations and no to all dictates by the OAS. Senator Belizaire was referring to the latest OAS invitation to Haitian lawmakers Saturday to go to Washington. The senators declined the invitation.

The Senate president believes that the preparations for such a meeting should be discussed in advance by all the concerned parties. He notes that during the meeting in Caracas on 8 January, a serious lack of protocol was observed. The members of the delegation were forced to stay in a hotel at their own expense because they did not wish to occupy the military accommodations that had been reserved for them.

Belizaire commented that since Haiti is a sovereign state, it is out of the question that parliament should bend its knees to unacceptable conditions imposed by the OAS.

[Begin Belizaire recording]*They sent us an invitation to go to Washington while threatening us verbally, saying that if parliament takes any measures leading to elections, the OAS will refuse to recognize them, and that their board of ministers would meet to make an appropriate response. I find this to be an inadmissible intimidation and threat. They also informed us that they would be in charge of our transportation and lodging—triple rooms at the YMCA. The YMCA is a hotel for young students.*

Furthermore, they unilaterally decided to set the time and place of this meeting as if we did not have enough work to do here in parliament. Our major duty is to prepare laws and implement democratic structures. We are therefore very busy. These people think that by snapping their fingers, as a journalist put it, they can shuffle presidents of parliaments and other lawmakers. For these reasons, we in the Senate voted against traveling under such conditions. [end recording]

Senators on Aristide Negotiating Position

FL2201012692 Port-au-Prince Radio Metropole in French 1700 GMT 21 Jan 92

[Passage in italics in Creole]

[Text] Regarding statements made by the president-in-exile—that he would not lead the country so long as General Cedras was head of the Army—Dejean Belizaire believes this statement confirms the radical position Father Aristide has maintained throughout negotiations.

[Begin recording] [Belizaire]*We can say that there is a government in charge, appointed by parliament. This*

government appointed General Raoul Cedras as commander in chief. This three-year appointment was subsequently ratified by parliament. To my knowledge, those three years have not yet passed.

[Reporter]*Do you think such a statement can negatively impact the ongoing negotiations?*

[Belizaire]*I think that when Father Aristide makes such a statement, he is trying to stop negotiations because his demands are impossible.*

[Reporter]*Senator Belizaire, what is the future of the current government?*

[Belizaire]*They are in charge until it is possible to have a transfer of power.*[end recording]

Asked about the same matter, Senator Art Austin finds Father Aristide's response logical. According to him, Father Aristide and General Cedras cannot work together.

Lawmaker Eudrice Raymond says a parliamentary decision cannot be revoked despite his personal belief that there are extremists within the Army. He invites all concerned parties to make concessions to save the country.

Gunfire, Threats Against Theodore Reported

FL2101235892 Port-au-Prince LE NOUVELLISTE in French No. 34.220 20 Jan 92 pp 1,2

[Text] According to a source close to the National Reconstruction Movement presided over by Rene Theodore, five armed men shouted insults and threats at the organization's headquarters on 18 January. Mr. Theodore is prospective prime minister under a negotiated solution to the Haitian crisis. The source also advises that during the same night, unidentified persons fired shots into the air in front of Theodore's home in the heights of Petionville.

Max Bourjolly, a close colleague of Theodore, said that "the adversaries of any negotiated solution to the Haitian crisis felt comforted by the Senate's decision to boycott the OAS-sponsored Washington meeting."

According to a reliable source, a burst of automatic gunfire was heard in downtown Port-au-Prince on 19 January in front of the former premises of the National Front for Change and Democracy, the coalition that supported the candidacy of ousted President Jean-Bertrand Aristide in the December 1990 general elections.

Caricom Regrets Failed OAS Negotiations

FL2201031192 Bridgetown CANA in English 2047 GMT 21 Jan 92

[Text] Bridgetown, Barbados, Jan 21, CANA—Barbados Foreign Minister Maurice King said Caribbean Community (Caricom) was "disappointed but still hopeful" about a settlement of Haiti's political crisis. King, current chairman of the Caricom standing committee of foreign ministers, made the comment following last weekend's aborted peace initiative on Haiti by the Organisation of American States (OAS). King hoped new moves this week to get the OAS' latest peace initiative "back on track" would prove successful.

OAS Secretary General Joao Clemente Baena Soares had arranged a meeting last weekend in Washington at which deposed President Jean-Bertrand Aristide, Prime Minister-designate Rene Theodore, and a delegation of Haitian parliamentarians were to have worked out arrangements for the restoration of an Aristide-led constitutional government.

However, only President Aristide showed up for the meeting. While admitting that the OAS appeared ineffective in its mediating roles, King said the options open to the hemispheric body were "very restricted." In the circumstances, he said he wished governments with the "political leverage" and the "necessary clout" would be more forthcoming in the search for a "practical solution" of the Haitian crisis.

President Aristide is now insisting that General Raoul Cedras, the man who ousted his government in last September's bloody coup, be removed and exiled, or be tried and imprisoned for coup-related crimes. Theodore, a compromise to Aristide's personal choice, Victor Benoit, wants the OAS to lift its economic embargo against Haiti prior to the restoration of the Aristide presidency.

Meanwhile, the Ecumenical Council for Human Rights in Haiti, in a release to the Caribbean media on Monday, said the international community should "act quickly and effectively" to end what it described as the "massive scale of press censorship" under the military-backed government.

"Since October 1, 1991," the day after the military coup, "Haiti's media have been reduced to silence except for news bulletins as approved by those who have brought an end to constitutional, democratic government," the council said.

Deputies Travel to Geneva for Lawmakers Meeting

FL2201010392 Port-au-Prince Radio Metropole in French 1145 GMT 21 Jan 92

[Text] The Haitian parliament will attend the meeting of the International Assembly of French-Speaking Lawmakers [AIPLF] in Switzerland this week. The Haitian parliament will be represented by two deputies: Frantz Robert Monde, vice president of the AIPLF commission; and Duly Brutus.

The meeting, beginning today in Geneva, should provide the opportunity for Haitian parliamentarians to develop deeper relations with their French-speaking counterparts. The Haitian deputies will also advise the AIPLF of

steps taken by parliament, within the framework of the negotiations, aimed at finding a solution to the Haitian crisis. According to Duly Brutus, this contact with French-speaking deputies is beneficial to the Haitian parliament.

[Begin Brutus recording] As you know, Haiti is a French-speaking country. We therefore believe it is important—especially in view of the 16 December elections, and formation of the parliament in January 1991—that the Haitian parliament be present at this meeting of most French-speaking lawmakers. Also, we will be present as a poor country at the meeting in Switzerland. There are a series of cooperation programs available under AIPLF auspices. We hope to invite AIPLF to develop cooperation programs for Haiti. [end recording].

The Haitian delegation was due to depart this afternoon in order to participate in this meeting of the AIPLF, in Geneva from Wednesday to Saturday.

Trinidad and Tobago

New Government Announces 1992 Budget, Measures

FL2001201492 Bridgetown CANA in English 1839 GMT 20 Jan 92

[By Linda Hutchinson]

[Text] Port-of-Spain, Trinidad, Jan 17, CANA—The month-old Trinidad and Tobago Government on Friday presented an 8 billion dollar (one TT dollar—23.5 U.S. cents) budget, announcing more pay for public servants, a better deal for pensioners, an increases in taxes and some tax relief.

The People's National Movement kept its election promise to honour a court award which encompasses the consolidation of a cost of living allowance (COLA), a two per cent increase in salaries and a new COLA formula estimated to cost the government more than 495 million dollars annually. The 1988 award by the Special Tribunal of the Industrial Court becomes effective the beginning of March.

In making the announcement, Finance Minister Wendell Mottley said, "in view of the passage of time since the grant of the award, we believe that, despite its considerable cost, we must begin to honour it as soon as possible."

Among the promises kept were the removal of the value added tax (VAT) on books, except periodicals, journals and newspapers and selected drugs. This action will result in a loss of 18 million dollars. The package also includes a 10 per cent increase in payment to old age pensioners—inclusive of the food subsidy and social assistance benefits—from 315 dollars to 347 dollars.

Mottley also announced a 65 per cent increase in the rate of excise duty on petroleum products, which will result in the increase price of premium gasoline from 1.50 cents to 1.96 cents, regular gasolene from 1.44 to 1.88 and diesel fuel from 90 cents to 98 cents. The excise duty on alcoholic beverages was also increased by 50 per cent, resulting in the increase of the wholesale price of a bottle of rum from 22.52 dollars to 27.89. The wholesale price of a bottle of beer increases from 1.83 dollars to 2.12. Excise duty was also increased on locally manufactured cigarettes and other tobacco products by 75 per cent. The wholesale price of cigarettes will increase by more than one dollar.

The increase in excise duties will require a corresponding rise in customs duties charged on petroleum products, alcoholic beverages and cigarettes imported from within the Caribbean Community (Caricom) region.

The yield from the increased excise duties is estimated to be 324.0 million dollars.

The price of sugar was increased by 15 per cent, liquor licence duties by 50 per cent, registration of clubs by 40 per cent, and fees payable to registrars and superintendent registrars of births and deaths by 100 per cent.

The government also announced the imposition of a levy of 200,000 dollars annually per outlet operated by the holder of a betting office licence in lieu of the existing tax of 25 per cent on all bets at fixed odds. Corporation tax was raised from 40 per cent to 45 per cent. In the case of individuals, the rate of tax on personal income between 20, 000 dollars and 40,000 dollars would be increased from 30 to 35 per cent and over 40,000 dollars, the rate would be increased from 35 per cent to 40 per cent.

These measures are estimated to yield 154 million dollars. Total expenditure for 1992 is pegged at 8.545 billion dollars. Last year's total expenditure totalled 7.611 billion dollars. Some 6.340 billion dollars is allocated for recurrent expenditure.

The government expects recurrent revenue in 1992 of 6.546 million dollars based on the assumption that crude oil exports will average U.S. 19 dollars per barrel. Revenue from the oil sector in 1992 is expected to be 2,014 million dollars compared with 2,717 million dollars in 1991.

The main consideration in setting the size of the budget, according to Mottley, "is our concern to rebuild the country's foreign exchange reserves." A "very modest growth" in Central Bank's net reserves is targetted at about U.S. 50 million dollars for this year. The government also plans to draw about U.S. 40 million dollars from the World Bank and Japan Exim-Bank in connection with the structural adjustment loan which the previous government negotiated in 1989.

"Our financial projections do not include any major loans from multilateral lenders," Mottley added. Government also intends to begin discussions shortly with the Inter-American Development Bank (IDB) on the scope of a fast-disbursing loan related to reform of policies and practices which may be major disincentives to domestic and foreign investment.

El Salvador

UN Military Observers Begin Arriving 20 Jan

PA2201034792 San Salvador LA PRENSA GRAFICA in Spanish 21 Jan 92 p 2

[Text] The military observers from the nations that will join the ONUSAL [UN Observers for El Salvador] began arriving in El Salvador on 20 January.

According to ONUSAL spokesmen, the ONUCA [UN Observer Group in Central America] contingents will gradually arrive in El Salvador. On 20 January seven military observers arrived from Tegucigalpa; on 21 January 40 will arrive from Costa Rica; on 22 January 15 will arrive from Nicaragua and Costa Rica; on 24 January, five will arrive from Nicaragua; on 25 January six will arrive [no place of origin stated]; and on 27 January, 15 will arrive from Honduras.

"Additionally, the contingent will be joined on 24 January by 1,001 [number as published] soldiers from Spain (bringing to 132 the number of Spaniards in the mission), and 30 Canadians will arrive on 25 January (bringing to 52 the number of Canadians in the country)," according to a communique.

The document adds that "so far, in addition to Spain and Canada, the governments of the following countries have pledged to send observers for the mission: Brazil, Colombia, Ecuador, India, Ireland, Sweden, and Venezuela."

"The contingent will be led by General Victor Suanzes, who arrived in San Salvador on the afternoon of 20 January to take over the ONUSAL military division which, to fulfill the new mandate given it by the UN Security Council, will have human rights, military, and police contingents."

"Iqbal Riza, the UN secretary general's special representative, will continue to be the chief of the mission," the report concludes.

FMLN Commander on Future of Rebel Forces

PA2101042692 San Salvador Radio Venceremos in Spanish 0000 GMT 19 Jan 92

[Interview with Commander Mario Alberto Mijango, member of the 6th Military Region of the National Army for Democracy, END, of the Farabundo Marti National Liberation Front, FMLN, by "Comrade Raul;" by two-way radio—live or recorded]

[Text] [Comrade Raul] We have established contact with the 6th Military Region of the National Army for Democracy, END. Commander Mijango, could you tell us what the future of the rank and file of the END will be during this new transition period within the struggle in our nation?

[Mijango] Referring to this, I can tell you that a chapter in the life of our nation was closed when the peace accords were signed on 16 January in Mexico City. The chapter of the war has been closed and this undoubtedly means that all the military structures that our people created to carry out a struggle for the achievement of their most essential social demands must now be used to fulfill the new needs that the Salvadoran society may have in its quest for a better future. The fighters and officers of the END have new tasks and a new challenge during this new period—to consolidate peace and democracy with social justice in our country.

Our commanders and fighters will wage a new type of struggle, meaning a political struggle through the instruments that the FMLN is creating to join the political debate. It is important to take into consideration that this chapter of the war has ended and our enemies are no longer our enemies, but they are still our political adversaries. In terms of political confrontation, our fighters and commanders will play a significant role.

Moreover, our military structure, meaning the END's structure, now has the opportunity to participate in the new National Civilian Police. This is an important task because it will allow them to guarantee that public security in the country will imply respect for human rights and the role of our fighters within that new structure will be vital, because they will not abandon their role within a democratic structure at the service of our civilian society. It is appropriate to add that many of our fighters and officers will strengthen the social movements and join the people's struggle for their goals.

[Comrade Raul] To conclude, Commander Mijango, could you tell us what kind of political party the FMLN proposes to the nation?

[Mijango] The FMLN has become, as a result of the agreements, a political instrument that will wage a battle through the electoral mechanisms to gain its place within the state organizations. We may add that one of our political characteristics will be to participate in the electoral struggle, but we will develop different forms of participating in the country's politics, because the party that the FMLN will create will not be a party that strives to avail itself of the situation. Instead, it will always keep abreast of the nation's developments. It will play the role of supporter and it will endorse and join the people's daily struggle to achieve better living conditions.

FMLN Radio Rejects Government-Sponsored Amnesty

PA2201040392 San Salvador Radio Farabundo Marti in Spanish 0000 GMT 21 Jan 92

[Station commentary: "The Amnesty Is a Pretext To Protect Murderers"]

[Text] The peace agreements have opened the path to real democracy and to the end of impunity in our country. This is a solid base for national reconciliation and peace. Nevertheless, military chiefs, members of the

government, and ARENA [Nationalist Republican Alliance] members have voiced support for an amnesty to exonerate those guilty of so many crimes against the nation, something that goes against the reconciliation process.

The promoters of this amnesty are trying to hide their real intentions with the pretext that the amnesty is so the Farabundo Marti National Liberation Front, FMLN, will return to legal life. That excuse does not stand up because, according to the New York Agreements, when the cessation of the armed confrontation goes into effect—in other words on 1 February—the FMLN will be able to fully exercise its political rights without needing to resort to an amnesty.

The military officers' and government plan to exonerate those responsible for so many crimes has been rejected unanimously by honest sectors of Salvadoran society. This shows that reconciliation will only be possible by bringing to justice those guilty of the national disaster we experienced.

If we adopt the attitude that nothing has happened here, we would be placing reconciliation at risk. By exonerating those responsible for so many crimes it would mean that in the future such crimes would be repeated because such abominable events were not censured at the time. We have 80,000 dead, hundreds of thousands homeless, peasants and priests massacred, dozens of villages completely destroyed, and countless events that have affected all Salvadorans one way or another. Where are those responsible for these crimes? How many have been tried and punished as they deserve? Can we forget so many cases without even knowing the truth? These questions need to be answered because we all want to know the truth. Without truth and justice it would be as if the fatherland were condemned to national disgrace.

The need for reconciliation or national conciliation has been mentioned all during this century. But instead, society became even more biased. The main obstacle to reconciliation has always been the impunity with which the Armed Forces has operated, with never an exemplary punishment. This left only grief and death. This does not mean there is a spirit of vengeance throughout the country against those who have bled her. But we need to punish those responsible for so much damage so these disgraceful events never are repeated.

The pardon could come after the truth is learned, when Salvadoran society has an idea that the tragedy will not be repeated. With their demands for amnesty the government, the Armed Forces, and the ARENA want to simply forget a long night of death squads and save beforehand all those the Truth Commission may find responsible for the orgy of blood.

Church, Worker Sectors React to Amnesty Proposal

PA2101224892 San Salvador Radio Venceremos in Spanish 0000 GMT 21 Jan 92

[Text] Recently the issue of amnesty for FMLN [Farabundo Marti National Liberation Front] leaders, political prisoners, and others involved in common and political crimes has been broadly discussed throughout the country. The government of Alfredo Cristiani is trying to impose an amnesty as a precondition for allowing several FMLN leaders to join the National Commission for the Consolidation of Peace (Copaz) and other subcommissions, as agreed upon at the negotiating table. This position is not in keeping with the New York Agreements, because the final documents signed on 16 January never mention conditioning the full political participation of the FMLN to any legislative or judicial decree.

Also, trying to delay the return of FMLN war disabled or the liberation of the political prisoners under the pretext that they should enjoy an amnesty would violate the spirit and letter of the peace agreements. However, there is another important point in the government's proposal. The government is trying to benefit the military officers who have already been sentenced or those who are being investigated for perpetrating serious human rights abuses.

The Armed Forces' position on this matter is very clear. Both General Rene Emilio Ponce and General Vargas have stated that the amnesty should be broad and general, encompassing all those who have committed political and common crimes connected to political offenses. Evidently, these officers see amnesty as amnesia, a loss of memory.

Several sectors of the country do not endorse the aforementioned position. These sectors state that national reconciliation should be based on the resolution of murders such as the UCA [Central American University] massacre and El Mozote and Sumpul killings, among others. In his 19 January homily, Monsignor Gregorio Rosa Chavez, auxiliary bishop of San Salvador, stressed that the church does not support a general amnesty, because we cannot act as if nothing has happened here. The church is in favor of pardon and reconciliation, Rosa Chavez stated, but there has got to be room for truth and justice. Let us listen to Msgr. Gregorio Rosa Chavez:

[Begin Rosa Chavez recording] [Words indistinct] wisdom of legislators, because it is one thing to pardon [words indistinct] the manner, conditions, and limitations that should be established to decree an amnesty. As a result, we support the space for truth and justice remaining open. [Words indistinct] This is our position. Therefore, we are not for a general amnesty, which could be interpreted as if nothing had happened here. Actually, many things have happened here. [Passage indistinct] A pardon is not granted just like that. It must be accompanied by an authentic reconciliation [words indistinct].

This is how we see the government's challenge to face this problem. [end recording]

Rosa Chavez also emphasized that a general amnesty would close the doors on the Truth Commission, which was created by the negotiations to make pronouncements on the most important crimes perpetrated by the Armed Forces during the war. This position is shared by Father Jose Maria Tojeira, provincial of the Society of Jesus for Central America. He said that first the truth must be established, later would come a grant of pardon. In this regard, the Truth Commission will be responsible for investigating the massacre of the Jesuit priests, Tojeira added. The symbolic visit of UN Secretary General Butrus Butrus Ghali to the tomb of the slain priests should also be pointed out. As Msgr. Rosa Chavez said, Ghali was sending a clear message on what should be the road to reconciliation, that is, through the memory of the martyrs and victims of the war and not oblivion.

In addition to the church, labor movement representatives have also commented on the possible general amnesty. UNTS [National Union of Salvadoran Workers] leader Humberto Centeno has said that the government and the Armed Forces are trying to acquit those responsible for countless massacres, adding that workers are strongly opposed to the general amnesty. Let us listen:

[Begin Centeno recording] At its last meeting, Copaz could not reach an agreement on the general amnesty and on 22 January will meet again in Mexico. The stagnation in the negotiations at the Copaz is mainly due to the delegation of the government, Army, and right-wing parties, which intends to set free persons involved in horrendous crimes that cannot be considered political actions derived from the armed conflict. We do not believe that the people's movement agrees with granting a general and indiscriminate amnesty. [end recording]

Confirming what Humberto Centeno has said, the political parties that form part of the Copaz announced on 20 January that they will present a proposal to the FMLN and the government on this topic. The parties' proposal is a type of amnesty in stages which, in the beginning, would not benefit military personnel who have violated human rights. However, it seems to be that there are different ideas among politicians because, while Armando Calderon Sol of ARENA [Nationalist Republican Alliance] proclaims the need for a general amnesty to allow national reconciliation, UDN [Nationalist Democratic Union] Representative Mario Aguinada Carranza believes that the Truth Commission should complete its task before any amnesty is decreed.

The parties will meet with the FMLN in Mexico on 21 January to discuss this point. For its part, the FMLN has made its position clear by stating that it is not willing to exchange its legality for the freedom of the military personnel who are involved in human rights violations.

Human Rights Commission Opposes Amnesty

PA2201041692 San Salvador Radio Cadena YSU in Spanish 1800 GMT 21 Jan 92

[Text] The nongovernmental Human Rights Commission is against a general amnesty that would include soldiers involved in human rights violations. Here in Julio Ernesto Rodriguez with details.

[Begin recording] [Rodriguez] The nongovernmental Human Rights Commission on 21 January expressed its opposition to a general amnesty that would include high level military officers involved in extremely serious human rights violations. This announcement was made by Celia Medrano, a member of the commission's board of directors.

During a news conference, Medrano mentioned several cases that should not be included in the amnesty that the National Commission for the Consolidation of Peace, Copaz, wants to approve. Medrano said that the murder of the Jesuit priests, the disappearance of (Lynn) Milagros Ramirez, the Mozote massacre, and the murder of Oscar Arnulfo Romero, among other cases, cannot be pardoned easily.

[Medrano] In the first place, the Salvadoran Political Constitution establishes that there cannot be pardons through amnesty in cases involving murders committed by public officials—civilian and military—during the administration of the government that is in office at the time of the amnesty period. In this sense, we believe that the Jesuit case, for example, cannot be included in a general amnesty because of this reason and most importantly because international law stipulates that in human rights cases serious violations cannot be pardoned through an amnesty.

There cannot be a valid excuse to support a reconciliation based on a general amnesty because, if we really want to build solid foundations for a lasting peace, the idea of reconciliation demands that we recognize the truth about the identity of the guilty people and the respective punishment for important human rights violators in very serious cases that occurred in our country during the 10 years of conflict.

We cannot forget the impunity that has prevailed during 10 years of armed conflict endured by the Salvadoran people to favor a general amnesty that will continue to institutionalize impunity with political ends in mind under the excuse that it is the price of reconciliation.

We believe, on the contrary, that a general amnesty that would grant liberty to the murderers of six Jesuit priests, to persons involved in grave cases such as the slaughters that took place in El Mozote and Sumpul, the disappearance of (Lynn) Milagros Ramirez, and the case involving the murder of Monsignor Romero cannot be eligible for amnesty. These cases have to be placed within the exceptions that must characterize an amnesty that—according to the New York Agreements—has as one of its objectives the political incorporation of the FMLN

[Farabundo Marti National Liberation Front] into civilian life, within the framework of those agreements.

[Rodriguez] According to the nongovernmental Human Rights Commission, for the government to grant a general amnesty now would mean having to pay a high price for national reconciliation. This would also mean having to take a step back with regard to the spirit that moved both sides to sign the final peace agreements in Mexico City on 16 January.

Medrano warned the Salvadoran Government about the political error that granting a general amnesty would constitute at a time when the Salvadoran people are demanding that the truth be cleared up.

The idea of a general amnesty arose from the fact that Copaz in looking for a mechanism that would allow those rebel leaders who are members of the peace commission that should begin work on 1 February to be incorporated into civilian life. The definite cease-fire should go into effect on 1 February.

The proposal calls for a political pardon for the guerrilla leaders and assures them that they will not have to be submitted to any judicial proceedings. The same would apply to other sectors of society.

If this decision is accepted, the Legislative Assembly would approve the motion on 23 January and it would go into effect eight days later. [end recording]

END Reports Capture of Army Infiltrators

PA1901010892 San Salvador Radio Venceremos in Spanish 0200 GMT 18 Jan 92

[Text] While the people were celebrating the end of the war on 16 January, military elements opposed to the negotiations sent soldiers to the war front to scout for Farabundo Marti National Liberation Front positions.

We have a report that at 0000 on 16 January, National Army for Democracy [END] units in the First Special Region of San Salvador Volcano captured Jose Bartolo Martinez of the San Carlos Battalion of the 1st Infantry Brigade; and Lucas McKay, a collaborator of the San Carlos Battalion.

The two were caught by surprise by our units while they were conducting an offensive scouting action in Santa Teresa Farm, Nejapa Municipality. According to their statements, they received their instructions from Lieutenant Alfredo Portillo, commander of the 1st Company of the San Carlos Battalion.

The purpose of the scouting operation was to determine the positions where we would celebrate the signing of the peace agreements.

More than 100 townspeople were to participate in the celebrations. The enemy was to carry out a joint operation with finance police units using 90-mm mortars and cannons. The enemy would have placed these weapons in Adelaida Farm, near our positions.

Our units noticed Army movements at 1200, but as the Army did not receive reports from its scouts, its forces withdrew from their positions at Mecafe Sugar Refinery in Nejapa Municipality.

This incident demonstrates the warmongering attitude of Armed Forces military elements, who do not care about the arrival of peace in our country or for the lives of a civilian group including elderly people, women, and children.

This Army action represents a violation of commitments to a cease-fire and an end to offensive operations—commitments the government and the Armed Forces acquired in the United Nations.

The prisoners were presented to the national media—to Teleprensa—at 1700. At 1800, they were turned over to an ONUSAL [UN Observers for El Salvador] delegation that arrived at the site.

The ONUSAL observers were able to verify the enemy plan to massacre our people.

END reaffirms once again that the fact that we are the main standard-bearers of peace, does not mean our fighting morale is low. We are now more combative than ever, fully dedicated to defend our achievements against the warmongers opposed to peace in our country.

FMLN Central Front Reports Army Infiltration

PA2101040592 San Salvador Radio Venceremos in Spanish 0000 GMT 19 Jan 92

[Communique issued by the Modesto Ramirez Central Front of the Farabundo Marti National Liberation Front, FMLN, to the Salvadoran people, the UN Observers for El Salvador, and the international community on 19 January—place not given]

[Text] 1. The units of the National Army for Democracy of the Farabundo Marti National Liberation Front, FMLN, assigned to this front support and are willing to comply with the negotiated agreements.

2. Our units have not carried out any offensive action since our general command decreed a unilateral truce.

3. Conversely, the enemies of peace have raided our territories several times.

4. In dangerous actions meant to harass our units, Armed Forces and artillery and cavalry enemy units infiltrated the following areas on 16 January: Colon, Rosario, Balsamar, Finca Santa Elena, and Caserio Las Granadias. The same government military group occupied the Las Floridas estate and hamlet and carried out actions in the (Asustio) area on 17 January.

5. These incursions take place when the peace agreements, which stipulate the start of an informal cease-fire

period on 16 January, was being signed in Mexico. Thus, the aforementioned military actions clearly violate the agreements reached by the government and the FMLN.

6. We condemn these actions and demand that the Armed Forces stop this type of harassment. If they do not stop, our fighters are willing to defend our territories and adequately respond to the offensive actions against the areas under our control. Modesto Ramirez Central Front 18 January 1992

FMLN Rebels Reportedly Sack National Archives

PA2101174592 San Salvador EL DIARIO DE HOY in Spanish 18 Jan 92 p 4

[Text] During demonstrations on 16 January against the signing of the peace agreements, Farabundo Marti National Liberation Front [FMLN] rebels sacked the treasure contained in the Nation's General Archives at the National Palace.

National Commission for Art and Culture [Comision Nacional para el Arte y la Cultura—Concultura] sources condemned what happened and inspected the palace with a group of journalists.

According to Concultura officials, "Commander" Manuel Martinez gave the order to break into the National Archives. Martinez said he "was taking over the facilities to provide security" for his comrades.

According to some eyewitnesses, FMLN rebels entered the plans office on the second floor and removed computers, typewriters, cameras, and even guitars belonging to musicians from the Public Works Ministry.

Another FMLN-FDR [Revolutionary Democratic Front] group broke down the door to the National Archives on the first floor and forced open the locks to the desks, file cabinets, and other office furniture. Apparenlty they were searching for money or valuable objects. Women's shoes and other articles were left scattered on the floor.

The rebels also removed photographs and computer diskettes containing all the work that has been done to date on the restoration of the National Palace.

According to Concultura, all the historical documents, photographs, and stolen collections constitute a cultural patrimony that cannot be replaced.

Authorities are making an inventory of the damage to handmade plaster crafts that were to serve as ornaments for the pillars of the Palace's four main halls: the Blue Hall, the Rose Hall, the Yellow Hall, and the Red Hall.

Some signs with slogans written on them were found inside the rooms. Ironically, one of these signs says: "Let us restore peace, FMLN."

The unbearable stench left behind by the vandals' urine and excrement was still emanating from the palace on 17 January.

'Territorial Service' Commander Murdered

PA1801034292 San Salvador Canal Doce Television in Spanish 0311 GMT 18 Jan 92

[Text] Lieutenant Colonel Armando Rodriguez, commander of the Territorial Service [reportedly a paramilitary group] was murdered approximately three hours ago by unidentified persons, military and family sources have reported.

The attack was carried out by three unidentified people who went to the military officer's residence in Loma de San Francisco Tercera Etapa neighborhood.

Rodriguez's maid, whose name has not been provided, was also killed in the attack. Witnesses said that before being killed, Rodriguez, 40, struggled with his attackers and injured one of them.

Guatemala

Unidentified Body of 'U.S. Citizen' Found

PA2201000892 Guatemala City Teleonce Television in Spanish 1800 GMT 21 Jan 92

[Text] The body of a young woman, apparently a U.S. citizen, was found late in the evening on 20 January near a large cattle slaughterhouse in La Antigua, Guatemala. The victim had been shot three times with a .45 caliber pistol.

The body was taken to the morgue in Ciudad Colonial, where representatives from various foreign embassies accredited in Guatemala City attempted to establish the woman's identity.

Members of the National Police's identification unit are preparing an autopsy report for the purpose of establishing the victim's name. The murder took place less than 24 hours after the virtual confirmation of the murder of a French couple who owned the Chez Pierre Restaurant in Area 13 in Guatemala City.

Police Director Carlos Enrique Samayoa Cifuentes referred on 21 January to the French couple's case.

[Begin recording] [Samayoa] Regarding the French couple's murder, I have been informed that the investigation is about to be completed. It will be sent to the judge handling the case, who will establish the need for further proof in accordance with his opinion and the legal measures that regulate penal procedures. Then he will order the police to end the investigation. [end recording]

Rebels Damage Air Force Plane, Attack Garrison

PA1701183692 Guatemala City PRENSA LIBRE in Spanish 16 Jan 92 p 8

[Text] The Guatemalan National Revolutionary Unity (URNG) reported on 15 January that a Guatemalan Air Force (FAG) plane has been damaged by guerrilla antiaircraft fire in the northern part of the country. In

addition, the URNG added that rebel forces have destroyed military garrison installations in the municipal capital of Quiche Department, in the northwestern part of the country, inflicting 10 casualties on government forces.

On 13 January, on a stretch of road between the departmental capital of Flores and La Libertad Municipality, Peten Department, a PC-7 Pilatus plane of the FAG was struck by guerrilla fire, the URNG indicated. The URNG added that the plane, which was seriously damaged, left the area without returning fire.

The government plane was seen in the area after the rebels blocked the aforementioned road at noon, stopping vehicle traffic for several hours.

On that same day, another group of guerrillas attacked the Army garrison located in the municipal capital of Chajul, Quiche Department, inflicting at least 10 casualties on government troops, the report concluded.

Rebels Inflict 70 Casualties on Army 8-15 Jan

PA2101160592 Mexico City NOTIMEX in Spanish 1802 GMT 20 Jan 92

[Text] Guatemala City, 20 Jan (NOTIMEX)—The Guatemalan guerrillas have inflicted 70 casualties on the Army, damaged a Guatemalan aircraft, and destroyed military garrisons and a military truck.

This was reported in a Guatemalan National Revolutionary Unity (URNG) communique issued on 20 January. The communique added that the guerrilla actions had taken place in Quiche, Peten, and Altaverapaz Departments from 8 to 15 January.

The Poor People's Guerrilla Army, which is one of the four rebel groups in the URNG, commemorated its 20th anniversary in northwestern Guatemala on 19 January.

The communique asserted that the rebels had inflicted 48 casualties against the Army in the San Lucas, Santo Tomas, La Union Cuarto Pueblo rural communities in the Ixcan and Chajul municipalities.

The rebels shot at and hit a Guatemalan Air Force PC-7 Pilatus aircraft in the Peten area. They also reported clashes with Army troops in San Luis Sayaxche; they reportedly inflicted eight casualties on the Army.

The guerrilla report pointed out that the URNG fighters had inflicted four more Army casualties when they attacked the Fray Bartolome de las Casas garrison, the outskirts of the Santa Lucia community, and the northern side road.

The Press and Information Department of the Army has neither denied nor confirmed the guerrilla report on the 70 Armed Forces casualties in Quiche and Peten departments.

Defense Minister: Army Willing To End Conflict

PA2101191792 Guatemala City PRENSA LIBRE in Spanish 20 Jan 92 p 4

[Interview with Defense Minister General Jose Domingo Garcia Samayoa by Abraham Baca; date and place not given]

[Excerpt] [passage omitted] [Baca] In your view, is the Army really the power behind the throne?

[Garcia] Definitely not. That assertion has been made for many years, but it is not true. The Army is a constitutionally established and obedient institution that is not involved in the decisionmaking process. It is subject to the decisions of the commander general, who is the president of the Republic.

[Baca] What does the future hold for the Guatemalan Army, in view of the recent changes in the world?

[Garcia] The Guatemalan Army, which is formed by professionals, is aware of the historic process being experienced by the peoples of the world. We know that nothing is static, that the world is evolving.

Therefore, all the changes we are experiencing are part of the evolution that must necessarily take place in order to achieve the progress sought by all human beings.

The Army is aware of the changes and is ready to join the efforts for progress and betterment that human beings undertake in the search for development and peaceful coexistence.

[Baca] What do you think of the end of the Cold War between the East and West?

[Garcia] All confrontations must end, preferably through dialogue. This shows the level of civilization of each of the sides involved in a conflict. The struggle to attain peace is linked to the general aspiration for an end to war.

That is why I believe the end of the so-called "Cold War" is the beginning of peaceful coexistence between the East and West. It is also the beginning of democratization in those countries where totalitarianism prevailed and where there were no freedoms.

[Baca] Do you think arms reduction is advisable in the world?

[Garcia] That depends on the situation in each nation, because all nations do not have the same problems. The establishment of armed forces is legal. It is a necessity when there are violators of the law who must be fought because they act illegally and destroy private and government property.

If the democratic system and peaceful coexistence with freedom to attain development begin to be strengthened

in the world, then I do not think an arms race will be needed. Instead, the armies will learn how to work to combat hunger.

[Baca] In what way has the Army contributed to Guatemala's democratization?

[Garcia] The Army is the institution that has promoted democratization in the country and has maintained it with firm support for the law, so that democracy will be consolidated for the benefit of all Guatemalans.

[Baca] In what measure are human rights currently respected in Guatemala?

[Garcia] The Guatemalan Army is respectful of the law, and therefore of human rights. Many Army members have sacrificed their lives in defense of those rights.

Nevertheless, there are other armed groups (terrorist criminals) who are the main violators of those rights, because their actions bring grief and leave many widows and orphans throughout the country.

[Baca] Is the Army willing to end the armed confrontation in Guatemala?

[Garcia] The Army has stated on many occasions that it is willing to end the armed confrontation. The Guatemalans, however, have seen that the attacks on towns, the mass kidnappings of peasants to turn them into terrorist criminals, and the ambushes of military patrols have not stopped; that is why the problem continues.

Nevertheless, the Army has the will to end, once and for all, the confrontation between brothers, as President Jorge Serrano Elias, commander general of the Army, has reiterated on many occasions.

URNG Conditions Peace To End of Repression

PA2101234692 Madrid EFE in Spanish 1702 GMT 20 Jan 92

[Text] Geneva, 20 Jan (EFE)—Rodrigo Asturias, member of the URNG [Guatemalan National Revolutionary Unity] General Command, told EFE that peace in Guatemala depends on an agreement to end repression and human rights violations. "Guatemala is one of the most serious cases of human rights violations in the past 30 years. We ask the international community to demand that the good promises will be kept because everyday life continues to be filled with repression, disappearances, and executions," Asturias said.

Asturias, who visited Switzerland as part of a European tour to seek international support for the peace dialogue in Guatemala, stressed that 1992 "is a critical year, one that is filled with expectations." The commander described President Serrano's statements as positive. Serrano said he is willing to negotiate, "but this is not enough when the process is already underway. Political will should be expressed in concrete positions, thus avoiding falling into a so-called 'negotiating rhetoric'."

According to Asturias, "the Army is involved in the negotiations and is participating in the negotiations and will have to prove its democratic will."

The URNG representative denied the Armed Forces' charges against ORPA [Revolutionary Organization of the People in Arms], a URNG group. The Armed Forces has charged ORPA with burying a child in the ground up to his head. Asturias said that "this is not true and is part of an attempt to discredit the revolutionary movement and invalidate it as a party to the negotiations."

"I flatly reject those charges. They are false and I denounce them as a provocation against the peace process," Asturias insisted.

The URNG commander said in Guatemala union leaders, teachers, and the opposition are repressed every day. Human rights is one of the most difficult topics in the negotiations that began in April. No agreement has been reached on this matter.

"We find ourselves at a standstill. We have, on the one hand, expressions of good will and, on the other, the state's covert terrorist activities against various sectors of the country," Asturias added.

According to statistics gathered by the Guatemalan bishop's office, in November the number of violations, including disappearances and executions, surpassed 1,000. Six persons have sought asylum in the past few weeks.

"In Guatemala the state's repressive practices affect all aspects of the people's human rights. This repression gives such rights a larger dimension," Asturias said.

He added that the URNG defends "a comprehensive solution that includes measures to end impunity, clandestine repression, and oppression, and to protect human rights defenders and the enforcement of international humanitarian rights."

"The dialogue has so far gained ground on general points but not on specifics. We hope that the international community will help relax the recalcitrant stand of various Army sectors that is reflected in the negotiations," Asturias noted.

According to the URNG delegate who traveled with Luz Mendez, a member of the group's political-diplomatic team, "Guatemala is one of the countries where the most serious human rights violations have been committed in the past 30 years. This is why we value the U.S. demand that human rights be respected."

"We hope to enjoy the support of all European progressive forces, democratic governments of the EC and the world, and the U.S. people. Each force or institution plays its own role and can make positive contributions to the advancement of the peace process," he concluded.

Honduras

Mexico To Sign Agreements, Refinance Debt

PA2101223592 San Pedro Sula TIEMPO in Spanish 21 Jan 92 p 3

[Text] Tegucigalpa—On 21 January, the presidents of Honduras and Mexico will sign a series of cooperation agreements, the foremost of which is the refinancing of the $53 million debt of the administration of Rafael Leonardo Callejas.

Since 20 January, Callejas has been in Mexico City talking with Mexican President Carlos Salinas de Gortari about mutual cooperation agreements in various fields.

Honduran Foreign Minister Mario Carias Zapata said that during their tour of Mexico his delegation will talk with Mexican Government officials to establish the agreements.

He said businessmen should take advantage of the credit facilities and mechanisms such as those that Mexico has opened up at the Central American Bank of Economic Integration (BCIE).

In the field of legal cooperation, the talks between the Mexican attorney general's office and various Honduran legal institutions will be stepped up, so that Honduras can receive advice from Mexico on penitentiary management, certain legal training programs, and the fight against drug trafficking.

"We are going to sign these legal assistance agreements and create the Mexican-Honduran binational commission, which is scheduled to meet during the first quarter of 1992 to follow up on all of these actions," said the Honduran foreign minister.

Callejas Visiting Mexico Expresses Views

PA2201020592 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 21 Jan 92

[Report on interview with President Rafael Leonardo Callejas by Cristobal Sauceda on 20 January—passages within quotation marks are recorded]

[Text] [Sauceda] President Rafael Leonardo Callejas has been in Mexico since 20 January on an official two-day visit. What is your official objective, the Honduran president was asked:

[Callejas] "To consolidate our relationship with Mexico, which is already at a significant level; to recognize that Mexico is one of the nations that contributes the most to Honduras' economic development and that besides the benefits it offers us through the San Jose Pact, this country also finances the San Pedro Sula-Puerto Cortes Highway; and to reaffirm—following President Salinas' visit to Honduras two years ago—the commitments we have secured in trade agreements."

[Sauceda] It was reported that the post of chief of the Armed Forces could be eliminated and the military institute would be placed under the Defense Ministry. What is your opinion?

[Callejas] "That is an issue that should be discussed with General Luis Alonso Discua Elvir. Other than his very general statements on this topic, I have not heard of any draft bill to amend the country's Constitution for this purpose. The executive branch has not presented and is not interested in presenting a plan of this nature over the short run."

[Sauceda] Would you assess the measures applied by your administration?

[Callejas] "I believe that someone neutral should assess the state of Honduras' economy and be the arbiter. In this case, it is the IMF, because it is the driving force in world finances. Thus, if the IMF believes that my government program is positive from a state's standpoint and is leading to economic growth, I would say that the Honduran private sector should also share this assessment. We already enjoyed economic growth in 1991. We are gathering figures to prepare a report for Congress.

"We reduced the fiscal deficit to under 4 percent; we increased the influx of foreign currency to the country by 50 percent; we increased export revenues by 38 percent; the financial system is quite solid; public investment is healthy; and we have upgraded health and education. In general terms, I can only say that I will continue to believe in my program as long as I continue to receive genuine, autonomous, and unbiased feedback that the corrections that we are applying are yielding positive results."

[Sauceda] Coffee growers are complaining that the coffee harvest could be lost, because youths who could help pick coffee are being recruited for military service. What is your opinion?

[Callejas] "I have received news in this regard. We have even been forced to hire coffee pickers from Nicaragua. This is a problem that we face year after year. It appears that there is a labor shortage during peak times of the coffee harvest. We will find solutions. We should not recruit youths at this time, but the truth is that there is a 5,000-person limit. Let us quantify the coffee harvest: It requires a 100,000-person labor force.

"Recruitment is not the real problem. However, it could be, because I received a request from IHCAFE [Honduran Coffee Institute] and urged its manager to talk to the Armed Forces chief to limit recruitment out of coffee-growing areas at this time of the year. However, in my opinion, recruitment is not the problem, because 5,000 people could not harvest all the coffee. There is simply not enough labor in this area of the country at this time."

[Sauceda] You participated in the signing of the peace agreements between the Farabundo Marti National Liberation Front [FMLN] and Salvadoran President Alfredo Cristiani, however, that document states that the guerrillas will remain in the areas of conflict. Why did Honduras not protest if the situation in those areas has not yet been defined?

[Callejas] "We attended as witnesses an important and extraordinary ceremony. The signing of a peace agreement between the Salvadoran Government and the FMLN. No president in attendance signed that agreement. That is exclusively an internal affair of El Salvador. We only reaffirmed our determination to help implement the agreement. We are not affected because we filed a suit at the International Court of Justice [ICJ], which should resolve the conflict.

"We did say that neither state should carry out actions in the areas of conflict as long as the suit at the ICJ is not settled, because no solution has given either state the legal right to carry out actions in those areas. I am very proud to have participated in that ceremony. My participation did not affect the country's interests at all."

[Sauceda] Several sectors have criticized the government because fuel prices were reduced very little. They expected the reduction to be bigger. Would you comment?

[Callejas] "The people and I always want prices to be reduced further. However, the reduction depends on international prices. The last shipments of oil have been purchased at prices that ranged between $17.75 and $18 per barrel. Previously, when prices were high, we purchased it at $19.75. Thus, the prices paid by the government have decreased by $1 or $1.50, or 5 to 7 percent. This was the reduction we assigned. Of course, gasoline was reduced 30 cents and this is not a 5 or 7 percent reduction, but (?diesel) was reduced 45 cents and this is more than a 30 percent reduction. It is a matter of how the prices stand. I have transferred the benefits to the consumer and they are receiving the reduction at the gas station. Consumers are getting a 30- or 40-cent reduction. This is less than what consumers paid before. These are economic topics that are political in nature. I am not concerned with this issue because we have lowered prices to consumers each time our prices change."

[Sauceda] What is your opinion of Tegucigalpa Mayor Norita Gunera de Melgar running as a candidate for president of the National Party?

[Callejas] "Mrs. Nora has a right to be a candidate. She is an exemplary citizen and a first rate mayor. She is legitimately entitled to run for the office if she wants to do so."

[Sauceda] Will you support her?

[Callejas] "I will support whoever is elected as a candidate for the National Party of Honduras after November 1992."

[Sauceda] Do you know how much the minimum wage will be increased?

[Callejas] "No, not yet. The commissions are discussing this issue. I expect them to come up with a resolution shortly."

Commander in Chief Views Possible Army Reduction

PA2101204292 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 21 Jan 92

[Report by Cristobal Sauceda]

[Text] Honduras cannot reduce its Armed Forces as long as there is no balance among the armies of the region, General Luis Alonso Discua Elvir, commander in chief of the Armed Forces, has said.

Should the position of commander in chief of the Armed Forces be eliminated? Armed Forces Chief Gen. Luis Alonso Discua Elvir has been asked whether he agrees that the position of Armed Forces chief should be eliminated. This is what he said:

[Begin recording] [Discua] This idea has been under consideration for some time. It has to be carefully analyzed and discussed from various perspectives. Some people claim the Armed Forces could become politicized if such a measure s approved. There are many points of view that must be carefully analyzed before a decision is made.

[Sauceda] Do you agree with the elimination of military courts, which have been criticized in recent days?

[Discua] There are military courts in all armies of the world, although the conception, depth, and substance may vary. Perhaps that very law has paved the way for many things to happen, but this would also be a subject of analysis. We should try to make a clear differentiation between military crimes and the offenses that must be settled by common law.

[Sauceda] Given the fact that a peace agreement has been signed between the Farabundo Marti National Liberation Front and the Salvadoran administration led by President Cristiani, what is your position regarding a reduction of the Armed Forces?

[Discua] Well if we talk about a reduction, we can see that the Salvadoran Armed Forces have a strength of 65,000 men. It would reportedly be reduced to approximately 30,000 soldiers. After implementing such a reduction, taking into account the Armed Forces, the Treasury Police, and so on, the strength of the Salvadoran Armed Forces would be over 40,000 men. Meanwhile, the Honduran Armed Forces have a strength of 18,000 men, which increases to about 27,000 men if the police are taken into account. In other words, we would always be at a disadvantage, even after the reduction in the Salvadoran military. Consequently, we must talk

about maintaining the balance of the Armed Forces within the region. This has always been the thesis of the Honduran Armed Forces.

[Sauceda] Do you then oppose reducing the size of the Armed Forces?

[Discua] President Cristiani has clearly answered that very question. He said: We have to wait for other armies to be reduced so we can reduce ours. I would say the same thing. We must try to seek a regional balance. Honduras has three territorial borders and two coastal borders, on the Atlantic and Pacific Oceans. El Salvador has only two borders. Guatemala has only three borders, while Nicaragua has only two borders. We have to analyze the country's geographical position and other points, which will clearly show us what we must do. I agree with the reduction of the Army, but it is not correct to say hurriedly: Let us reduce our Army. First, we must maintain regional balance.

You must bear in mind that the Armed Forces are responsible for the defense of the national sovereignty; it would be irresponsible to make such a decision without thinking of other factors that could influence the size of the Armed Forces in this country.

The size of the Armed Forces must be based on its economic capacity, the country's geographical location, internal problems, and so on. We cannot come out and clearly state our position. It is true that other armies are reducing, but we must remember they are only reducing their strength, not their atomic arms, sophisticated war equipment, and so on. We do not have sophisticated weapons, because we are not a country with a good economic situation. Therefore, we must look for ways to replace those points.

[Sauceda] What is your view on eliminating the position of Armed Forces commander?

[Discua] This will depend on the points that may surface in the future. We are not saying we are moving in that direction. This is being analyzed.

You must bear in mind that our actions are not political, but institutional. We are not trying to seek political power. The decisions made by the Armed Forces are made while thinking of Honduras and all its components, including the Armed Forces, which is a permanent and apolitical institution. We are not trying to seek political power.

I think the Armed Forces [pauses] because the Army is an institution that has a right to say what it wants on that issue. [end recording]

Investigation of Soldiers' Deaths Completed

PA1801012092 San Pedro Sula TIEMPO in Spanish 16 Jan 92 p 10

[Text] Tegucigalpa—General Luis Alonso Discua Elvir, Honduran Armed Forces commander in chief, announced on 15 January that he has the results of the forensic investigation into the death of nine Honduran soldiers who were killed when a helicopter was shot down in El Salvador.

"On the afternoon of 13 January (Monday), I received the report from the special commission that investigated the circumstances of the nine soldiers' deaths," Discua Elvir told reporters at the ceremony to commemorate the 110th anniversary of the National Police's Foundation.

The military chief said that the results would be delivered to President Rafael Leonardo Callejas and to the Foreign Ministry for the adoption of actions based on the results.

He explained that the Honduran Government cannot take action against the FMLN [Farabundo Marti National Liberation Front] because they are a "force that has never been recognized," although he said that "there are individuals who can be prosecuted for the incidents that took place."

The chief of the Armed Forces said that the adoption of any action will be decided by the National Defense Council, after President Callejas and the foreign minister have been advised of the results.

Meanwhile, Discua Elvir refused to comment on newspaper reports to the effect that several of the soldiers were finished off by the guerrillas after the helicopter was shot down.

"It would be irresponsible" to say that some of the soldiers were finished off by the FMLN guerrillas, he said, adding that "when the Armed Forces receive the president's instructions, it will disclose the details of the incident."

Discua Elvir, meanwhile, announced that throughout 1992, the Armed Forces will bolster the surveillance efforts of the Public Security Forces (FUSEP), which are attempting to curb the growing crime wave that is undermining the nation.

We will do this because the police comprise an institution that is permanently engaged in the maintenance of public order, although "crime has no schedule, calendar, or limits, and it is influenced by certain factors. In other words, we could turn every member of the Armed Forces into policemen, and criminals would still attempt to break the law in this country."

Concerning the reduction of the Central American armies, Discua Elvir said that "it is a decision that must be made by each state in accordance with its economic capabilities, GNP, and population. They will thus establish the percentage of their Armed Forces and create a balance in Central America.

He also expressed the opinion that the signing of the Salvadoran peace agreements in Mexico on 16 January "is not the end of the war, but the beginning of peace and a democratic system in the Republic of El Salvador."

To conclude, the military leader said the requests of the citizens in response to the latest recruitment of youths in the country's largest cities are "logical," but he added that the Army is forced to do this because the youths ignore the summons calling them up for military service." [no opening quotation marks as published]

"Military service is a constitutional duty which, when not fulfilled we must, of course, enforce," said Discua Elvir, who did not miss the opportunity to underscore "the advantages" enjoyed by youths who come voluntarily or by force to the military units. He also acknowledged that "at times there are excesses and abuses of authority at certain military units" which, he gave assurances, "we are trying to correct."

* Regular Army Combating Street Crime in Capital

92CA0063A San Pedro Sula TIEMPO in Spanish 16 Nov 91 p 2

[Text] Tegucigalpa—National Army troops went out into the streets of this city on patrol yesterday, in response to the hail of criticisms directed at the armed forces in recent days for leaving the citizens at the mercy of the criminals.

A large group of armed forces personnel, fully equipped, mingled yesterday with the pedestrians who move about the downtown area of the city every day. The assignment of the military is to "arrest" the large number of "friends of the peculiar" and criminals who have made the streets of the capital their fiefdom for the commission of abuses and misdeeds.

Along with the uncontrollable wave of robberies and burglaries in the streets and residences of the city, there are the daily attacks on defenseless persons and the assassinations which are disturbing the public.

The appeals of various sectors of the citizenry to the commanders of the armed forces, demanding that something be done to halt the rising wave of violence which is keeping the population in a state of terror, seems to have provoked a reaction among the officers wearing olive drab. However, it is to be hoped that the cure will not prove more damaging than the disease.

Military sources announced yesterday that for the time being, until the end of December, Army troops will be on constant patrol in the streets of the city. As a result, the inevitable first comments from some local residents are that this measure seems likely to be a mere "flash in the pan."

Official on Return of Rebels, Immigrants

PA1801012392 San Pedro Sula TIEMPO in Spanish 17 Jan 92 p 2

[Text] Tegucigalpa—President Rafael Leonardo Callejas' administration is willing to receive the Hondurans who fought in the Farabundo Marti National Liberation Front (FMLN) guerrilla ranks in El Salvador if they decide to return to the country, it was stated by Presidential Adviser Manuel Acosta Bonilla.

The official, a member of the commission for the repatriation of Honduran guerrillas, said there have been reports that an unspecified number of Hondurans "participated in and fought for the FMLN ranks."

He said "some of them will opt to stay in El Salvador and others will return to the country. I believe that this is correct. They will return to the country and raise a family, but they must strictly abide by the law and respect the coexistence that we want to maintain," he added.

Acosta Bonilla said that those who wish to return must have all the guarantees, just as those who were repatriated from Nicaragua, Mexico, and Costa Rica and have again become part of our society.

Referring to the peace accords signed between the Salvadoran Government and rebels on 16 January in Mexico City, he said: "I think that Central America is on the threshold of great events within its political and economic evolution."

"I am concerned because international aid must be sent now more than ever. The promises being made to El Salvador and Central America should become a reality rather than a frustration—which is what happened in Nicaragua and Panama because aid was not received in the promised amounts," he said.

Acosta Bonilla also warned about the danger that thousands of Central Americans who illegally live in the United States could be expelled and this would worsen the region's social and political situation.

"The war generated a wave of immigration toward the United States and now there is an evident trend to expel those Salvadorans by the thousands," it was stated by the official, who advocates asking Washington not to expel those people.

He hopes that "peace (in El Salvador) will now serve as a pretext to implement" a program for the large scale deportation of Central Americans from the United States.

"The U.S. Government's cooperation must be requested so that the Central American situation is not worsened by the arrival of new immigrants, who would come to join the legions of unemployed and desperate people in those countries," he said.

* Farming Provides 50 Percent of All Jobs

92CA0063B San Pedro Sula LA PRENSA in Spanish 16 Oct 91 p 3

[Text] Tegucigalpa—Farming is the primary activity which provides half of the productive jobs in Honduras. It accounts for 25 percent of the gross domestic product

(GDP) and is the source of 80 percent of the exports, according to Ricardo Maduro, president of the Central Bank of Honduras (BCH).

Of this 25 percent of the GDP provided by the farm sector, crop products provide 69 percent, animal products provide 19 percent, and the balance is obtained from the forestry sector and other activities, he explained.

This official said that Honduras has all of the elements it needs to be competitive in the farm sector. He emphasized that in the past, the state has played an excessive role in agriculture, and that while it must indeed continue, the support provided should come basically from the private sector.

Referring to the exchange rate for the lempira against the dollar, Maduro said that until 1989, lower prices were paid for farm production for export than would have been established by the market.

At the same time, the values involved in farm imports were lower than reality would have dictated, such as to lead to unfair competition in the sector.

As an illustration, this official cited the purchase of yellow corn from the United States, under the food-aid programs, at official exchange rates which were lower than the market rates. This meant unfair competition for the domestic producers.

Noting that controlled prices also prevailed until that time, the president of the Central Bank said that over the years, experience has taught that providing the residents of the city with products at unrealistic prices, to the detriment of the producers, is not the response which is needed.

Maduro said that one must add to the above facts the participation of the government in the import, storage, and marketing of basic grains. In the course of this process, it has benefited from the privileges of power, which also represents unfair competition with the Honduran farmers.

It was not long before the result of these disadvantageous factors became clear—nothing less than a substantial reduction in the contribution of the farm sector to production work, to the point that this activity declined by 30 percent, in comparison to the other economic categories.

In other words, this official noted, monetary and technical resources were transferred to other activities, so that farming as a profession was left behind. This even led to such regrettable situations as the constant import of basic grains and other foodstuffs to supply the domestic market.

The current administration, by means of a policy based on supply and demand, has given back to the farm producers free prices for the foodstuffs they produce, Maduro said.

He expressed regret that in the second year in which this system was implemented, natural factors contributed to preventing achievement of the goals set.

He added, however, that the government will continue to pursue the planned path, providing every possible assistance so that the private farm producers will have incentives for their work, in order to guarantee the Honduran people a secure food supply.

Nicaragua

Presidency Minister Comments on Baker Visit

PA2101183392 Managua LA PRENSA in Spanish 18 Jan 92 pp 1,12

[Report by Emilio Zambrana]

[Text] The U.S. Government has agreed to support everything concerning the professionalization of the police, once the Nicaraguan Government prepares its own plan and schedule for the stability of the country, Presidency Minister Antonio Lacayo revealed in an exclusive statement.

President Chamorro has officially requested the cooperation of the U.S. Government in strengthening, training, and professionalizing public order forces whose commanders are identified as Sandinists.

The request was made on 17 January, when the president met with U.S. Secretary of State James Baker. The minister of the presidency told LA PRENSA that U.S. policy since Mrs. Chamorro assumed the presidency has been to deny support for our country's military organizations. He added that the United States had even refused to support Nicaragua in the urgent task of disarming civilians, a cause supported by all Nicaraguans.

Lacayo described Secretary Baker as a man who came to Nicaragua with a pragmatic rather than political agenda. The minister of the presidency said he has discovered Baker is an official who carefully refrains from questioning the fairness or legality of the changes that have occurred in Nicaragua. He added that Baker only wants to help Nicaragua provide the necessary security for foreign investors who would assist the country's economic recovery.

The minister of the presidency said the idea is not to create a new police force or a new army. Quite the contrary, the plan is to unconditionally "support our police," regardless of who is chief, or who is a commander, or what past or affiliation an officer may have had. Lacayo emphasized, however, that the police must be apolitical.

Presidency Minister Antonio Lacayo revealed this information to LA PRENSA when discussing details of the meeting between President Chamorro and Secretary Baker.

Lacayo said the government's goal is to change the police force, which was once prepared for war and now must be prepared for peace and democracy, in order to achieve stability and fully guarantee foreign and local investments. The minister of the presidency said the U.S. Government's cooperation with the Nicaraguan public order forces would entail granting scholarships to train policemen; sending instructors to our country; providing supplies; and participating in joint efforts to fight drug trafficking.

During his news conference, the U.S. Secretary of State endorsed President Chamorro's request and added that Nicaragua's security and stability depend on an independent and apolitical police force. That was taken as an endorsement both of the professionalization of the police and of the government's position.

Lacayo said the Nicaraguan Government considers the offer to provide support in this area to be a change in Washington's policy toward our country. It is received "with great pleasure."

Referring to the controversial issue of land ownership, which has caused a division between large groups in our society and Nicaraguan politicians, Lacayo revealed that it was another issue discussed with the U.S. secretary of state.

"Baker stated his concern over the security that must prevail in Nicaragua for foreign investors," Lacayo said. He added that the U.S. secretary of state said he is interested in sponsoring the development of new investments and the creation of new employment sources for greater economic activity."

In Lacayo's opinion, Baker stated the U.S. desire for full implementation of ownership rights in Nicaragua was seeking "a guarantee for the investors we want to attract," rather than questioning the fairness or legality of the changes that have occurred in many properties during the last 12 years.

Baker also recognized the progress achieved in reducing the Sandinist People's Army forces, in ending civil war, and in specific economic actions that have drastically reduced inflation in the country.

The secretary of the presidency termed the U.S. secretary of state's visit as "brief, but very fruitful." He said the meeting with President Chamorro lasted over an hour. It reaffirmed the current strong alliance between the United States and Nicaragua, which is democratic for the first time.

"The basis of the new relations between the United States and Nicaragua is quite different from the era of submission that prevailed during the Somozist dictatorship and the confrontation that prevailed during the defunct Sandinist regime," stated Lacayo. He implied that the new type of relations will be based on mutual respect, cooperation, and friendship.

He said Nicaragua's policy toward the United States is an essential part of a strategy of friendship. He added that sincere and honest discussions between the two governments—about mutual worries, challenges, and dangers threatening Nicaragua's democracy—are consolidating that strategy.

Referring to another issue, Lacayo said President Chamorro told Baker she is afraid the United States will abandon Nicaragua and the region now that there is peace—that is when aid is needed the most.

In reply, Secretary Baker reasserted President Bush's pledge concerning the reconstruction of our country, "above all if Nicaragua continues to be dedicated to the democratic ideals on which the U.S. people place such high value." Baker said during a news conference at the presidency that the United States will give assistance to Nicaragua with no strings attached, except to abide by the principles of liberty and democracy, which are highly praised by Washington and which are recognized by the Chamorro administration.

Lacayo also said Secretary Baker stated his concern over the atmosphere of violence caused by certain renegade groups in the northern zone of the country. The high-ranking U.S. official said that might scare off possible foreign investors who wish to invest in Nicaragua.

The minister of the presidency revealed that President Chamorro told Baker her government's goals for 1992 include strengthening a legal state and enforcing public order.

Nicaragua will receive the U.S. contribution on the two issues based on a plan presented by Nicaragua, the minister said.

According to Lacayo, Baker himself suggested that the Nicaraguan Government talk with the Sandinists about changes within the police force and about its professionalization. The minister said he replied that he and the police would prepare a work plan for the police. The preparations would also involve all of the parties, including the Sandinist National Liberation Front.

Foreign Minister Ernesto Leal reported that the Chamorro administration received $504 million in U.S. aid from Chamorro's inauguration until October 1991; it expects to receive more than $205 million this year.

In keeping with its practical approach, the United States believes the aid granted to Nicaragua should be accompanied by heavy foreign investments. It wants to contribute to the security, public order, and full respect for ownership rights in the country, Engineer Antonio Lacayo said.

During his brief stay in the country, the U.S. secretary of state also met with Cardinal Miguel Obando y Bravo, the spiritual leader of the Nicaraguan people. Baker also made a protocol visit to the National Assembly, where he greeted all of the deputies.

Recompas Sign Disarmament Pact With Government

PA1701153292 Madrid EFE in Spanish 0303 GMT 17 Jan 92

[Text] Managua, 16 Feb (EFE)—The Nicaraguan Government and leaders of the "rearmed" Sandinists known as "recompas" agreed on 16 January that the disarmament process for those groups will begin on 21 January and end not later than 3 February.

During a meeting held at a former military base in the community of "El Dorado," 185 km north of Nicaragua, the irregular groups pledged to end hostilities so "the disarmament process may be implemented without obstacles."

The agreement—signed by Nicaraguan Government Minister Carlos Hurtado, Deputy Finance Minister Leonel Rodriguez, and recompa leaders "William," "Herminio," "Moises," and "Caminante"—states that 20 "rearmed" Sandinists will form a special disarmament brigade and 70 others will join the police. Minister Hurtado said that the disarmament will be implemented simultaneously in three phases, starting on 21 January and concluding with the last phase on 3 February.

The recompa "commanders council," mostly comprised of former captains and lieutenants of the Sandinist People's Army (EPS) and the Government (Interior) Ministry, asked the EPS and National Police to conduct "the necessary actions to establish public order and protect" all Nicaraguans.

The government delegation and the recompa leaders agreed to meet again on 20 January to "settle the final details" for the disarmament and demobilization.

The ceremony to sign the agreement, which the government minister termed as "extremely important," was also attended by 12 recompa commanders. According to official figures, between 400 and 500 recompas operate in the central and northern areas of the country.

The government reached a similar agreement with commanders of the rearmed "former contras," called "recontras," on 15 January. The recontras also pledged to disarm themselves between 21 January and 3 February.

The "recompa" leader known as "Moises," a former Government Ministry official, said to EFE: "We hope the recontras will seriously take the step of disarming themselves," to achieve stability and peace for all the Nicaraguans. The agreement we signed represents the first step and we expect" the government will fulfill our social and economic demands "in a few days" so that "we may really return to a normal life," he added.

Further on Agreement

PA1701194792 Managua BARRICADA in Spanish 17 Jan 92 pp 1,6

[Article by Juan R. Huerta]

[Text] El Dorado, Matagalpa—Twelve commanders of the National Self-Defense Forces, known as recompas, have reached an agreement with the government. They agreed to a simultaneous disarmament with the recontras, as long as "it involves an end to the war, the security of the Sandinists and the peasants, as well as their property," the recompas noted.

The meeting was held at El Dorado, Asturias, 25 km north of Jinotega, at the same place where hundreds of engineers and technicians of the Apanas hydroelectic project are located. This was the first formal meeting between the recompas and the government.

In addition to the recompa leaders, it was attended by Government Minister Carlos Hurtado, Deputy Finance Minister Leonel Rodriguez, civilian and military authorities of the region, members of the International Commission of Support and Verification and Cardinal Obando's Verification Commission.

Apparently, the first few hours of negotiations were tense because the recompas rejected the recontra representatives at the talks because, according to them, "Indomable" [Jose Angel Moran Flores] and the four commanders who signed the agreement with the government "do not have that many troops." [sentence as published] The recompas also rejected the idea of the creation of a mixed police in Region One.

At approximately 1500, however, the differences were ironed out at the improvised negotiating room. "Our will to achieve peace prevailed, however, we want to achieve peace in stages. If the recontras play dirty, then we will go back on our word," the young commanders warned.

Commander "Herminio" said that the will to negotiate prevailed and added that the most important aspects for them are personal security and guarantees that property will be respected.

In addition to the simultaneous disarmament, the recompas agreed with the government that 20 of them will join the Special Disarmament Brigade and 60 will join the National Police, if budget conditions allow.

They questioned the integration of the recontras in the police ranks because the government has dismissed hundreds of professionally capable people.

The simultaneous disarmament of the recompas will depend on subsequent negotiations between the recontras and the government, especially with leaders such as Indomable and Dimas [Francisco Baldivia], who have the largest number of troops and are a fundamental part of this problem, they said.

The rebels agreed to stop any military action that will hinder the disarmament process, a process that should begin on 21 January, continue on 25 January and end on 3 February.

During the process, the Special Disarmament Brigade will be autonomous to fulfill its mission in the disarmament of civilians. The recompa-government talks will continue in Matagalpa on 20 January to discuss details about the social and economic benefits the rebels will receive, which should equal those granted to the recontras.

The recompas will have to gather at El Dorado, a place where the meeting was held and where 300 rebels gathered on 16 January to guarantee the security of their commanders.

It was disclosed that during the disarmament stage, the police and the Army will carry out their actions to control crime.

Minister Hurtado described the El Dorado agreements as positive and encouraging.

Demobilization Begins

PA2101015492 Managua BARRICADA in Spanish 19 Jan 92 pp 1, 6

[Report by Guillermo Cortes Dominguez]

[Text] Tomatoya, Jinotega—Dozens of armed men have begun arriving in Tomatoya, 15 km from the capital of Jinotega Department. What we see reminds us of the demobilization that began two years ago, only this time the people are not the same. Today it is the recontras and recompas. They are coming in from various points in Matagalpa and Jinotega. According to Lieutenant Colonel Ramon Ernesto Soza, chief of the Special Disarmament Brigade [BED], these men will surrender their rifles over the next few days. The rifles will be destroyed immediately.

According to the Army's estimates, 120 recontras and 160 recompas arrived at the Tomatoya and El Dorado camps on 15 January in that way to begin the prompt demobilization and disarmament of approximately 400 rearmed men. Soldiers dressed in light blue uniforms and armed with M-1 rifles comprised the BED patrols that are participating in the transfer and regrouping of those unconventional forces. On 15 and 16 January, clearly identified light brown WAS [not further identified] vehicles were used to transport the first recontras and recompas to specific locations. This is a repeat, although at a much smaller scale, of the demobilization that began on 25 April 1990 and which ended on 28 June 1990. Thousands of former members of the resistance thus laid down their weapons, officially putting an end to a 10-year war.

The disarming of the two rearmed groups could begin next week at the two camps. However, the BED chief did not dismiss the possibility that there could be a single event during which the weapons will be surrendered. The weapons will be identified, registered, and destroyed in public, Soza said.

The BED, created three months ago, officially began its operations on 8 January following the ambush of members of the recontra "council of commanders." Members of the brigade are responsible for ensuring the safety of the group investigating the incident. In addition, Lt. Col. Soza said that the BED is also searching for weapons in the hands of civilians and dismantling arms caches. "We have gathered much information about illegal weapons in civilian hands," including cooperatives, the BED chief added. Soza said that within the next few hours, the BED will be launching a secret operation to disarm four cooperatives in Jinotega Department. The Military High Command has classified the four cooperatives as "the most troublesome" in the northern sector of the country. According to BED reports, approximately 3,000 weapons of war are in the hands of the members of the cooperatives. "That is a very large number of weapons, enough to outfit an infantry brigade," Soza commented. He added that 3,000 armed men could get any Central American government into trouble and that in unconventional warfare one would need 10 soldiers for every rebel.

Likewise, the BED has begun operations in territories where caches may be found. Soza said that in some cases "there was a leak and the caches were moved" or the weapons "fell into the hands of other interested people," who could be rearmed groups, bandits, or people who sell weapons. Soza did not provide actual figures, but he did say that when the Nicaraguan Resistance demobilized, "it left many arms caches in the mountains." Soza added that other rearmed groups have done the same "in the event of more generalized fighting." The operations that have begun in Jinotega and Matagalpa will be extended to Nueva Segovia, Madriz, and Esteli, and will conclude in Boaco, Chontales, and part of southern Zelaya.

After the disarming operation is completed in Tomatoya and El Dorado, the BED will be deployed to three locations in the departments of Jinotega and Matagalpa. During its deployment, the brigade will be protected by EPS [Sandinist People's Army] combat troops. Soza said that the BED will only carry out defensive actions. Soza added that BED has no support weapons. "I have learned that the EPS High Command has assigned combat troops to reinforce the region (Matagalpa and Jinotega) to achieve stability and tranquility for the people and to protect the coffee harvest," Soza said. The BED chief said that the brigade has strong ties with the EPS and the National Police and that those institutions provide the BED with operational information about the area.

The armed groups that do not demobilize and disarm will eventually be pursued by EPS troops and the BED will attempt to fulfill the duties for which it was created.

Recontra Leader Appointed

PA2101005392 Managua BARRICADA in Spanish 19 Jan 92 pp 1, 8

[Article by Juan Ramon Huerta]

[Text] Matagalpa—The government has accepted the appointment of Jaime Zeledon, also known as Bolivar, as new National Police chief in Jinotega; Rojito as second police chief in San Rafael del Norte; Santo Olivas as police chief in Yali; Raul Antonio, in Pantasma; and Ronaldo Espinoza, also from among the recontras, as second chief of the police section in Wiwili.

Likewise, it was confirmed that 30 police patrolmen were appointed and assigned as follows: 12 between Quilali and San Juan del Rio Coco; six between Murra and Jicaro; six between Ciudad Antigua and Palacanguina; four in La Trinidad; and two in San Juan de Limay.

According to Regiment Commander Manuel Calderon, chief of interior order of Region VI, the police force currently has 10 ranking officers in various municipalities in the region that are former members of the Nicaraguan Resistance [RN] and he cited the cases in Rio Blanco, Bocana de Paiwas, Cua, and Bocay, among others. He added that the entry of former RN members into the police ranks "means that they are adapting to a professional institution."

Complying with the agreements between the government and the recontras, Commander Calderon, accompanied by Lieutenant Colonel Rodrigo Gonzalez, chief of Military Region VI, announced that more police patrolmen will be joining the ranks in San Rafael del Norte, Yali, La Concordia, San Marcos, Jinotega, El Cua, Pantasma, and Pueblo Nuevo.

The two military chiefs of the region on 18 January made the announcements in compliance with the agreements, after having met with the chiefs of both armed groups for several hours on 17 January in Esteli and Matagalpa, respectively.

Both Calderon and Gonzalez said that the process of simultaneously joining as members of the Armed Forces is to create conditions for complying with the agreements, and that allows expediting even more the process that began with the negotiations that Minister Hurtado conducted late the previous week in Tomatoya and El Dorado in Jinotega.

The idea of joining the Armed Forces dates back to October, the military chiefs said, and what the government has done now is to accept an old recontra proposal on how to form a mixed police force, a process that should include the appointment of high-ranking officers to public order posts.

Lt. Col. Gonzalez said that "the process is creating security conditions for both parties," although the recompas are very distrustful about a process that is going to leave the Sandinists at a disadvantage.

The recompas complained on 18 January that armed individuals attacked the command post called El Chile, where recompa Commander William used to be, and Commander Moises had to dismantle an ambush prepared by the recontras in order to arrive from Asturias to negotiate last week. They also charged that recontra groups are moving about freely through the cooperatives that were left unprotected by the pro-Sandinist regular troops.

In view of the charges, Lt. Col. Rodrigo Gonzalez said that the regrouping of the recontras and recompas will make it easier for the army and police to have more direct control over the armed groups that have been left out of the negotiations. That does not include Dimas [Marcos Orland Navarro Carrasco], Chele Rafael, Charrito, and other recontra chiefs who remain in the mountains waiting for the results of the negotiations.

Meanwhile, the government is pressuring the Special Disarmament Brigade so that it will immediately proceed to the simultaneous disarming of civilians in other areas where there no longer are recontras and recompas.

Contrary to the negative results that the analysts had warned about as a result of the ambush on the recontra "Council of Commanders," they exerted pressure, particularly Bigote de Oro [Alcides Rodriguez], for quick negotiations with the government to obtain political, economic, and power gains outlined since the beginning of the negotiations.

The military chiefs—Calderon and Gonzalez—preferred not to comment on the analysts' remarks and attributed it to the fact that both rebel forces feel they are unnecessary at a time when the people in general seek stability and economic well-being.

The two military chiefs admitted that both the recontras and the recompas had serious problems after bands of criminals began to perpetrate actions in their names. The recompas admitted that their ranks were infiltrated by people interested in ruining the nature of their struggle.

Humberto Ortega Letter on Award to U.S. Attache

PA2101204392 Managua BARRICADA in Spanish 20 Jan 92 pp 1, 5

["Text" of "open letter" signed by General Humberto Ortega in Managua on 19 January]

[Text] 1. On 14 January, in accordance with my decision as commander in chief of the Sandinist People's Army (EPS), and on its behalf, Lieutenant Colonel Dennis F. Quinn, U.S. military attache, was awarded the Camilo Ortega Gold Medal. The main leaders of our armed institution, as well as Presidency Minister Antonio Lacayo and U.S. Ambassador to Nicaragua Harry Shlaudeman, attended the special ceremony.

2. The Camilo Ortega Gold Medal is bestowed upon those who display heroism in combat or engage in dangerous activities in times of peace, as well as to those who have earned this honorable decoration through their daily chores. That is how hundreds of fighters from our Army earned this medal during the past decade when they defended our sovereignty and the revolutionary process. Some earned it by excelling on the battlefield and others in the rear positions earned it by ensuring that the vital needs of the front positions were met.

3. This medal was also awarded, in special cases, to civilians who excelled in supporting the EPS in successfully confronting the past aggression. The Camilo Ortega Medal has also been awarded to members of the Armed Forces of different countries and to some diplomats, such as ambassadors, for the support their governments have given to our armed institutions.

4. For the last two years, this important and honorable decoration has been awarded to members of our Air Force, engineering corps, Naval Force, and to Army sectors that have excelled in civilian activities and in the fulfillment of risky and complicated missions, such as the assistance given to our people during the heavy floods, or the assistance given to our brothers in Costa Rica when they suffered because of an earthquake.

5. During that period, the medal was also awarded to military personnel from different countries who, while being assigned to international organizations such as the UN Observer Group in Central America, excelled by not limiting themselves to strictly bureaucratic or formal duties. Instead they exercised all their potential and took risks for the noble and urgent purpose of contributing to the consolidation of peace in our Fatherland.

6. The previous government, headed by Commander of the Revolution Daniel Ortega Saavedra, as well as the current government, headed by Violeta Barrios de Chamorro, have justly decorated those military attaches in our country who have excelled in carrying out their mission. The decorated attaches excelled not only by maintaining a high level of professionalism in performing their tasks, but also by exhibiting a special understanding of the problems that the Nicaraguan people are facing; they do not exacerbate the problems, but overcome them by not interfering in our decisions and by trying to provide objective reports for their superiors.

7. Lt. Col. Quinn earned our honorable Camilo Ortega Medal. Among other accomplishments, during the very difficult moments of the polarized internal conflict Nicaraguans have been experiencing and during the conflict that at some moments caused great tension between the Sandinist Front and the U.S. Government, Lt. Col. Quinn not only maintained his objectivity, but also maintained a dignified relationship. It was a civilized relationship of mutual respect, the kind of relationship we Nicaraguans have historically sought with the United States.

8. In my words during the ceremony in which I decorated Lt. Col. Quinn, and in front of a portrait of Augusto Cesar Sandino in the middle of the hall in dictator Somoza's old Tiscapa Hill, I said:

"... This simple ceremony is profoundly historical. Our Army has not ceased to be professional and nonpartisan. For the first time, a revolutionary such as myself, raised with the ideologies of Augusto Cesar Sandino—who in the past clashed with the U.S. Armed Forces—today, under Sandino's effigy and before the flags of Nicaragua and the United States who yesterday confronted each other, today approach each other in a new relationship we hope will guarantee the future dreamed of by Sandino. A future of friendship with all the countries of the world, including the United States..."

9. At this historic time, when guerrilla leaders of the Farabundo Marti National Liberation Front of El Salvador have the courage and decency to recognize, as I have, the constructive steps the United States is taking—the U.S. Government's efforts to achieve peace in El Salvador—I make a special appeal to those who have received the Camilo Ortega Saavedra medal and other medals and awards not to be confused by the radical language of an ultra-leftist minority that seeks to distort the sacred sentiment of patriotism and national dignity to foster fanatical and perilous confrontation between Nicaragua and the United States. That radical minority wants to attract the poor people, who suffer serious economic and social difficulties, with unworkable and destabilizing plans that will only worsen the poor people's oppressive situation.

10. Finally, I would like to say that the hasty and contradictory statements by Luis Carrion, member of the National Directorate of the Sandinist National Liberation Front, are political mistakes. He has adopted the hot-blooded reaction that can be expected by some members of the rank and file and by mid-level Sandinists who require strong and impassioned leaders to explain and conduct events.

[Signed] Sincerely yours, General of the Army Humberto Ortega Saavedra.

[Issued] Managua, Nicaragua, 19 January 1992.

Ortega Criticized

PA2001222892 Managua Radio Catolica in Spanish 1030 GMT 20 Jan 92

[Text] General Humberto Ortega Saavedra and Luis Carrion Cruz show that the Sandinist National Liberation Front [FSLN] is a group that has lost its identity and currently does not know where it is headed. The FSLN is merely guided by the desire to hold on to power. The dispute revolves around the decoration that Gen. Ortega gave to a ranking U.S. officer. Members of the National Opposition Union [UNO] have warned the Nicaraguan people against thinking that Gen. Ortega has changed. Gen. Ortega is capable of anything, the sources stated.

Gen. Ortega justified awarding the decoration to a ranking U.S. officer and described his critics as a radical minority. He directly accused FSLN National Directorate member Luis Carrion Cruz of making a political mistake in speaking out against the U.S. officer. In a public letter, the military chief, one of the most acerbic critics of the United States, recognized the constructive steps the United States is taking for peace in El Salvador.

Influential FSLN sectors, whom Ortega described as an ultraleftist minority, have been highly critical of the Armed Forces chief for granting the Camilo Ortega Medal to U.S. Embassy Military Attache Dennis Quinn. Gen. Ortega personally made the decision. Here is the last paragraph of the public letter in which Gen. Ortega described his critics as a radical minority. In this part of the letter, Ortega, an erstwhile rabid critic of the U.S. administration, recognizes what he termed as the contribution to peace by the United States.

This is how the final paragraph of the letter reads: At this historic time, when guerrilla leaders of the Farabundo Marti National Liberation Front of El Salvador have the courage and decency to recognize, as I have, the constructive steps the United States is taking—the contribution by the U.S. Government to achieve peace in El Salvador—I make a special appeal to those who have received the Camilo Ortega Saavedra and other medals and awards not to be confused by the radical language of a ultraleftist minority that seeks to distort the sacred sentiment of patriotism and national dignity to foster fanatical and perilous confrontation between Nicaragua and the United States.

Radical Sandinists are strongly criticizing Ortega for decorating a ranking U.S. officer. The question is whether this controversy serves to enhance the standing of Gen. Ortega before the public, UNO and even the United States, because until now Ortega has allowed the military to prevail over civilian concerns. He has publicly stated what he will and will not allow in the country and is one of those who chiefly supported bloodshed in Nicaragua. We repeat, the question is: Will this controversy, in which criticism by radical Sandinists has set the tone, enhance Gen. Ortega's standing?

Aeronica Workers Prevent Departure of Flights

PA1801222292 Paris AFP in Spanish 1939 GMT 18 Jan 92

[Text] Managua, 18 Jan (AFP)—Workers from Aeronica, a Nicaraguan airline, unhappy over the possible privatization of the Nicaraguan state company, took over a plane and are preventing the departure of flights to Miami, employees reported today.

A Boeing 707, which Aeronica leases from a U.S. company, has been detained since 17 January by the workers at the Augusto Cesar Sandino International Airport in Managua. The same source added that workers have threatened to block the passage of officials on their way to the company's installations.

An Aeronica worker said only a regular daily Miami-Managua flight has been suspended, not flights to Mexico and San Jose.

The workers charge that there are plans to sell the airline to Salvadoran TACA Airlines. They say that if the company is privatized, it must be sold to its employees.

According to an Aeronica Sandinist labor union, the sale would mean giving up "a national asset, a symbol of sovereignty and independence."

Dayton Caldera, president of the Nicaraguan Corporation of Public Administration, which is in charge of the company, denied the privatization and explained that TACA will "make a coinvestment" with Aeronica because the government "cannot continue to subsidize the national airline, which has been bankrupt for the past few months."

It was officially announced in San Jose on 17 January that TACA increased its participation in the shares of the Costa Rican Airline, LACSA, to 10 percent.

Panama

Presidency Calls Meeting To Discuss Crime

PA2101154092 Panama City Circuito RPC Television in Spanish 2300 GMT 20 Jan 92

[Text] An urgent meeting was held on 20 January at the Presidency of the Republic to discuss the large amount of muggings and robberies against tourists. The Council for Public Security and National Defense [Conasepuden] met with Panamanian Institute of Tourism authorities, airline representatives, and officials from Tocumen International Airport to prepare a strategy to end crimes against tourists.

The situation is critical and the most dangerous area is the highway to the airport; there have even been killings along this highway. It is suspected that dishonest officials working at Tocumen International Airport have been cooperating with the criminals.

Upon conclusion of the meeting, National Police Director Oswaldo Fernandez said the checkpoints established in different points of the capital are there to help prevent crimes and are particularly necessary because of the latest terrorist actions. He said this will help reduce the number of robberies and muggings against tourists.

[Begin Fernandez recording] A large amount of unregistered firearms has been discovered. The checkpoints help us establish more control. In fact, stolen vehicles have been stopped at the checkpoints. [end recording]

Meanwhile, National Customs Director Rodrigo Arosemena said the investigations will continue.

[Begin Arosemena recording] Let it be known that we will catch them. The investigations will continue and we have exchanged views on specific steps that various

directorates and state organizations are carrying out to solve the problem. We are all interested in having tourists visit Panama. [end recording]

Ford, Others on 'Destabilizing Actions'

PA2101190892 Panama City Circuito RPC Television in Spanish 2300 GMT 20 Jan 92

[Text] The recent destabilizing actions that have taken place in the country are not the ways to protest or to solve the problems in the nation, Second Vice President Guillermo Ford said on 20 January.

[Begin recording] [Ford] I want to use this opportunity to appeal to the community in general, as this type of attack is not typical of Panamanians. I feel this is not the best way to solve any type of problem. We held a meeting to discuss this situation. The authorities, working on any clues they may have, will have to proceed within the framework of the Constitution and the laws to guarantee human rights.

[Unidentified reporter] Mr. Vice President, despite the appeal made by the government and other authorities, we are still confronted by the problem of the terrorist attacks and the bomb threats. How do you feel about this?

[Ford] I repeat, these are desperate actions. I hope the individuals carrying out these actions will carefully think them over. I am sure they are Panamanians. I want to appeal to them, as our country's evolution toward improving democracy and the economy cannot tolerate this type of disruption. I do not think this is the best manner for Panamanians to solve our problems.

[Reporter] Has the government considered establishing a curfew?

[Ford] Not at all. It is up to the executive branch—the Cabinet Council—to suspend constitutional guarantees. We did not at any time on 18 January speak of suspending constitutional guarantees. I do not think this is the time to deprive the citizens of the free exercise of their constitutional rights. [end recording]

Meanwhile, Government and Justice Minister Juan Chevalier has emphasized that the government is closely following the terrorist actions.

[Begin recording] [Chevalier] The investigations are being carried out by the police and the Judicial Technical Police, and I believe the investigations are very advanced. I did not have the opportunity to talk with them on 17 January. They are responsible for the investigations, not the ministry.

[Reporter] We hear that terrorism must be handled with a firm hand. How could we interpret that?

[Chevalier) This country has enough laws to go around for everybody; we do not have to issue new ones. We have laws for everything in this country. The only thing that needs to be done is to adopt measures as provided for by the law at the right time. You may rest assured that no one is going to play with public security.

Can you imagine a more criminal action than to say there is a bomb in an emergency room of a hospital? The persons responsible for that do not deserve any respect at all. They say they do not want to do anything against the community, but is this not enough? You may rest asssured that as far as we are concerned, we are going to adopt all measures allowed by the laws and the constitution.

[Reporter] Chepo residents claim that members of the 20 December Movement [M-20] are training in that area. Have you heard about that?

[Chevalier] I would ask those persons to notify the appropriate authorities so the authorities may investigate to determine if this is true.

[Reporter] Have the authorities located the M-20 anywhere?

[Chevalier] I do not know about the M-20. I always tell you that I really do not care about those names. All I know is that they are criminals. [end recording]

On the same subject, former Colonel Nivaldo Madrinan denied he is involved in the recent terrorist attacks against some government institutions. However, Madrinan did not rule out the possibility that these actions may have been carried out by former members of the dismantled Panama Defense Forces [FDP].

[Begin recording] [Madrinan] I am imprisoned at the Modelo Jail. I have heard reports that Renacer prisoners are involved in these actions. I do not know why my name has been mentioned. As you know, I have been struggling for two years in the courts to obtain my freedom.

[Reporter] What do you think about these events? What do you think of these bomb attacks and phone threats?

[Madrinan] Actually, I read about this in the newspapers. I really do not know the reason for this. Perhaps it is due to the discontent of the people, or the problems related to the economic projects of the government.

[Reporter] Could former FDP people be involved in this?

[Madrinan] The people involved in this definitely know how to use war weapons. I would say violence is not the means for solving problems. [end recording]

Meanwhile, Arnulfist Party legislator Francisco Artola supported the creation of a specialized group to combat the perpetrators of recent attacks. He felt that situations such as this one scare investments away.

[Begin Artola recording] I am certain these people have close ties to the previous dictatorial regime. These are

people who have lost their privileges with the democratic regime and want to regain them. [end recording]

Artola indicated that former officers now held in the country's jails are responsible for these incidents.

[Begin recording] [Artola] Even if the incidents are not planned in the jails, the arrested officers are in some way connected or should have ties to the masterminds. Those who are doing these things were members of the past regime. The arrested officers must have ties to former FDP servicemen, either in the country or abroad. I think this is a plot by General Manuel Antonio Noriega's friends.

[Reporter] Do you believe a group along the lines of the defunct Special Antiterror Service Unit [UESAT] should be established to fight this situation?

[Artola] I think the government must prepare the necessary means, something such as the UESAT, to counter actions to destabilize the government. I think it is one of the government's functions; I think this should be done as soon as possible, because the number of attacks is on the rise. [end recording]

Former Defense Force Members Under Investigation

PA1701174992 Panama City EL SIGLO in Spanish 17 Jan 92 p 14

[Report by Rafael Rodriguez]

[Excerpts] Forty former members of the defunct Defense Forces are currently under investigation due to their alleged participation in 22 terrorist actions against President Guillermo Endara's government. This was reported by Carlos Landero, deputy director of the Judicial Technical Police [PTJ].

Landero made the statement after it was learned that a homemade bomb exploded at 0135 [on 16 January], damaging three vehicles and two houses located in La Loma, Hato Pintado, in Panama City. [passage omitted]

Landero did not specify the names of the former military men who are under investigation. He said there have been 22 terrorist attacks in the past two years in various parts of the capital. He added that there are reports mentioning former Major Gonzalo "Chalo" Gonzalez, who supposedly is in Peru with political asylum, as the mastermind of those attacks. [passage omitted]

Police authorities are keeping a record of all terrorist attacks that have taken place in the country in the two years since the U.S. invasion. Thus far, 22 terrorist actions have been registered; the instigators are believed to be former FDP members who are currently under investigation.

The police have registered each case and each anonymous call announcing the placement of bombs in various government institutions. In that regard, the PTJ created a special council two months ago to follow up each case and identify the masterminds.

Police Detain Bombing Suspects for Questioning

PA2101193292 Panama City Telemetro Television Network in Spanish 1801 GMT 21 Jan 92

[Text] Suspects in the recent bomb attacks have been detained for 24 hours by the Judicial Technical Police [PTJ]. According to investigations by this station, among those arrested are former soldiers who have been out on bail or soldiers who were released after petitions of habeas corpus were filed in their favor and against whom there has not been sufficient evidence to order their arrest.

The security officials are trying to maintain secrecy regarding the investigation of the latest terrorist attacks in Panama City.

[Begin recording] [PTJ Director Jaime Abad] We are now analyzing and discussing the information we have. This information is very confidential. As the attorney general said on 20 January, every day there are investigations and new elements appear, but we cannot make them known because of their confidential nature. It is true we are making arrests, but only to investigate and question these people. We have not made an arrest for more than 24 hours through an order from the assistant district attorney.

[Reporter] Who are the people who have been detained?

[Abad] I cannot disclose their names.

[Reporter] Are they former soldiers?

[Abad] They are both civilians and former soldiers. We are simply calling them to our office to investigate and question them as a normal investigative procedure.

[Reporter] We understand they are people who participated in the 5 December 1990 military coup attempt?

[Abad] Up to now, those people have not arrived at my office.

[Reporter] How about former soldiers who sought asylum in other countries and have now returned to the country?

[Abad] I have not received such people at my office.

[Reporter] Can it be said that the former soldiers now under arrest are linked to these attacks?

[Abad] This is under investigation.

[Reporter] Everything is under investigation. There are no results yet?

[Abad] Yes, everything is under investigation. So far, there are no positive results. [end recording]

Alleged M-20 Guerrillas Training in Pacora

PA2001012192 Panama City CRITICA LIBRE in Spanish 19 Jan 92 p 1,27

[Article by Roberto Cubilla]

[Text] The so-called 20 December Movement (M-20) antigovernment insurgent group is conducting training exercises in the Pacora mountains and is organizing guerrilla operations from this region to Torti Corregimiento, which borders Darien Province.

Residents of the Canazas community, district of Chepo, reported that dozens of young men between the ages of 18 and 30 have been seen on the river banks and heading toward small towns. According to witnesses, the young men then purchase supplies and merchandise at wholesale, mainly for survival purposes, and then disappear back into the uninhabited and mountainous areas of the region.

According to reports, the guerrillas have been operating in the sectors of Alto Bayano, Canitas, El Llano, and Loma del Naranjo. Training includes physical conditioning, drills on guerrilla tactics, group and individual mobility exercises, and collective defense movements.

The guerrillas occasionally enter the communities dressed as farmers and carry out surveillance on the activities and routines of police and other government officials in the area.

The alleged members of the so-called M-20 guerrilla group have been seen walking near the banks of the Mamoni River and heading toward the mountains. According to reports, the guerrillas were also seen carrying light weapons such as shotguns and T-65 rifles, which are made in Taiwan.

Reports related to the movement of armed groups in the eastern sector of Panama Province were provided by several community residents who were in the Chepo Corregimiento. They also confirmed that the alleged insurgents are organizing military operations to destabilize President Guillermo Endara's government.

During the past weeks, several attempts against private and public institutions have taken place in Panama City. On 9 January, unknown persons fired a German manufactured RPG-18 rocket against the office of Bolivar Pariente, vice minister of planning and economic policy. Subsequently, the alleged M-20 group took credit for the attack by calling several radio stations.

Finally, there were numerous reports of anonymous calls announcing bomb threats in several public institutions, as well as commercial centers. All these guerrilla activities were acknowledged as being organized by the M-20, which aims to overthrow Guillermo Endara's government.

Producers Request Government Suspend 'Ford Plan'

PA2001042892 Panama City EL PANAMA AMERICA in Spanish 19 Jan 92 p 1a

[Report by Juan Pritsiolas]

[Text] The National Production Council (CNP) on 18 January requested that the government suspend adjustments to the agricultural and cattle-raising sectors, part of the Economy Development and Modernization Program they call the "Ford Plan."

The request is part of a resolution the CNP approved at a Chamber of Commerce session in David on 18 January, which also served to "repudiate the unusual attacks" Minister Guillermo Ford made against Dario Selles, president of the Association of Panamanian Industrialists (SIP).

The CNG, which groups industrialists, agricultural and cattle producers, and workers, bases its suspension request on the fact that most agricultural and cattle-raising activities face serious technological problems due to lack of attention from government institutions.

Other reasons given are price reductions of export products, the drought affecting the central provinces, an imbalance of certain markets due to government meddling, and the establishment of tariffs at different levels from those negotiated with local producers.

The CNP believes the Ford Plan actions that affect the agriculture and cattle-raising areas should be suspended until simultaneous adjustments are made in other sectors of the local economy.

The CNP also demanded expeditious assistance to producers to modernize their productive structure and reroute their activities toward adequate export markets.

Meanwhile, the Chiriqui Chamber of Commerce, the National Cattle-Raising Association, and other productive sectors issued a communique in which they describe the old adjustments implemented by the previous regime and the current Ford Plan as the "same prescription with a different name."

These sectors say that while large countries continue to subsidize their exports, Panama "suicidally prepares" to open its markets without a prepared alternative for the 200,000 people employed in agricultural and cattle-raising activities.

Diplomatic Relations With Mexico To Resume

PA1701220492 Panama City Telemetro Television in Spanish 1720 GMT 17 Jan 92

[Text] Mexico and Panama are ready to resume formal diplomatic relations and exchange ambassadors after a separation of over two years following the U.S. invasion.

Panamanian and Mexican sources have confirmed that the two countries have already approved the names of the respective ambassadors.

Panama has proposed former Agricultural Development Minister Ezequiel Rodriguez as ambassador to Mexico.

Argentina

Menem Denies Rumors of Cabinet Departures

PY2101213692 Buenos Aires BUENOS AIRES HERALD in English 21 Jan 92 p 11

[Excerpt] (NA-DYN)—President Carlos Menem fired more salvos at criticism of his administration, yesterday calling rumours that several of his ministers may leave their posts "stupid lies" and, along with other officials, scolding the media for continuing to make claims of government corruption.

"Never has there been so much cohesion, harmony and desire to work together as in this Cabinet," insisted the President. He denied that the Cabinet was suffering from infighting or a "minicrisis," attributing speculation over the past year that he would change ministers to various unidentified members of the media who want to "sell a little more" and use "this type of language to reach the community."

The recent resignations of his private secretary, Miguel Angel Vicco, and Deputy Interior Minister Juan Carlos Mazzon were also on Menem's mind. In an interview with the official television station ATC [Argentina Televisora Color] the President downplayed the departures as of "secondary importance." The head of state said Mazzon had been asked to step down "not because he was unfit" for his job but because the official "realized if he didn't leave he would become a permanent media target." Menem also reminded his critics that "no changes have been brought" against Vicco, although he conceded that the investigation into the scandal involving the sale of contaminated powdered milk to the Health Ministry that the President's friend has been linked to are not over.

Other officials echoed the first executive's criticisms. Eduardo Menem, provisional president and the President's brother, insisted yesterday in statements to Radio Continental that there is "no more or less honesty" in the current government than at other times, but rather that "slander and libel have increased." He blamed the increase on a media that condemns people accused in scandals before the courts find them guilty but neglects to report if a case is later dismissed.

The senator charged the media with making claims without considering the effects on the accused and those around him or her. "Behind a politician is a human being, a family, children," he recalled. He also defended the sale of television channels 11 and 13 to the Atlantida publishing group and Clarin group, saying "I know no one could say those privatizations were not clean."

Members of Congress added their opinions, too. Justicialist Deputy Miguel Angel Toma reiterated his charges yesterday that the daily PAGINA 12 and weekly NOTICIAS "systematically criticize, without foundation, individuals in and actions taken by the government" while hiding behind the shield of "independent journalism." He told Radio Continental that while some corruption exists in Argentina, the two publications lob charges not to improve the administration but to "strike out at the system from the bottom." He also blamed some of the cries of scandal on "powerful business interests" being affected by the government's current policies. [passage omitted]

Menem Says Subversive Elements 'Eradicated'

PY2101214092 Buenos Aires BUENOS AIRES HERALD in English 21 Jan 92 p 11

[Text] (NA-DYN)—President Carlos Menem stated yesterday that Argentina has definitely eradicated the subversive elements that gave rise to the attack on the Third Regiment of Mechanized Infantry at La Tablada on January 23, 1989. Menem, speaking on the anniversary of the bloody event, recalled that he was in "Mar del Plata playing tennis" when it occurred. The assault, led by members of the group Movimientos Todos por la Patria (Movement for the Fatherland), put the country on the brink of civil war, but Menem emphasized that a similar subversive threat no longer exists in Argentina.

Bolivia

COB Agrees To Resume Talks With Government

PY2101143492 La Paz Radio Fides Network in Spanish 1100 GMT 21 Jan 92

[Report by Antonita Flores]

[Text] In response to a proposal by the Catholic Church, the Bolivian Labor Federation [COB] has decided to suspend coercive measures for 48 hours to begin talks with the government. After more than six and one-half hours of debate, the COB decided to avoid intensifying coercive measures for 48 hours. The miners' indefinite strike and the 19 day hunger strike, however, were not lifted. As for blocking highways, which was scheduled for today, it might be implemented anyway because there is not enough time to inform the rank and file of the COB decision.

Let us listen to COB executive secretary Victor Lopez:

[Begin recording] [Lopez] Summing up, the COB national meeting has accepted the church's proposal. That is everything we can do. We will try hard to actually facilitate the implementation of the proposal. This decision should be disseminated immediately.

[Unidentified reporter] Will the blocking of highways, scheduled for tomorrow, be lifted?

[Lopez] We will talk about that. We said that it will be impossible to lift the measure, but if it can be done, we will do it. The leadership will debate the workers' plans. If a negative decision is made, however, we will immediately inform the church of our decision.

[Reporter] But there is a 48-hour period during which there will be negotiations with the government, right?

[Lopez] It was clearly stated at the COB meeting that we will suspend all measures for 48 hours to implement the church proposal.

[Reporter] Does that mean that as of today [words indistinct] will be suspended?

[Lopez] Not at all.

[Reporter] What will happen if the government rejects the COB position?

[Lopez] It will then be clear that it is not the workers who are rejecting the church proposal. [end recording]

The Catholic Church will therefore inform the government about this decision. There is a new chance for talks, which will focus on four main points: privatization, (?demilitarization), taxes, and a salary increase.

The COB and the government will thus resume talks within the next few hours.

San Jose Mine Occupied by Workers, Closed

PY1601170892 La Paz Radio Fides Network in Spanish 1100 GMT 16 Jan 92

[Excerpt] San Jose is the first mining district to be closed by a decision of the Mining Corporation of Bolivia [Comibol] Executive Board. This information was revealed yesterday after workers and housewives occupied the mine. The decision was reported after a seminar held in Oruro yesterday in which Comibol General Manager Jose Zambrana participated.

San Jose Mines Manager Eduardo Barrientos said an occupied mine is a closed mine. He added that the superintendant and other board members from that district were held as hostages, although they managed to escape by climbing the walls. [recorded passage indistinct]

It was also reported that a general strike will be held in San Jose beginning today. Both workers and their families will participate in this strike to protest the Comibol decision to close the mine. [passage omitted]

ADN Grants General Banzer Full Powers

PY1601114692 La Paz La Red Panamericana in Spanish 0000 GMT 16 Jan 92

[Excerpts] The Nationalist Democratic Action [ADN] National Political Committee's decision to suspend internal elections for two years and grant full powers to General Hugo Banzer to make the necessary normal changes in the party is irreversible.

This comment was made by Guillermo Fortun Suarez, ADN deputy chief and president of the Senate, who rejected Senator Juan Luzio's criticism of the decision.

Fortun said Senator Luzio's position is illogical because Luzio attended the 17 December National Political Committee meeting when the suspension of internal elections was unanimously approved to consolidate party unity and guarantee full participation in the 1993 general elections. Fortun added that Senator Luzio made no objections to the National Political Committee's decision on that occasion; therefore, Luzio's recent comments are outdated.

Fortun also said that it is not true that the measure granting full powers to General Banzer will lead to direct appointments. Changes in the top leadership will be decided in consultation with all national and regional leaders. He added that that is what happened in Beni. [passage omitted]

Fortun Suarez also rejected the report that his party has asked the president for the Interior and Information Ministries to insure Banzer's political campaign in 1993.

Roundup of Economic Reports 9-15 Jan

PY1601172292

[Editorial Report] Following are reports on economic activities in Bolivia monitored by Paraguay Bureau 9-15 January. Source, date, and time are given in parentheses after each item.

The government has reported that in 1991, the Bolivian economy grew 4.1 percent and the accumulated inflation rate totaled 14.7 percent. (La Paz EL DIARIO in Spanish 24 Dec 91 p 6)

The Italian Government has granted Bolivia a total of 100 billion lire, equivalent to $83.3 million, in credits and donations that were included in the cooperation agreement signed by both countries in Rome in 1990. The agreement foresees the transfer in three years of a donation of 20 billion lire, $16.6 million, and credits amounting to 80 billion lire, some $66.7 million. (La Paz Television Boliviana Network in Spanish 0200 GMT 14 Jan 92)

Brazil

Spokesman Denies Rumors About Collor's Health

PY2101223492 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Jan 92 p 6

[Text] Brasilia—Presidential spokesman Claudio Humberto Rosa e Silva today said the article published by the Porto Alegre daily ZERO HORA is one more "groundless" rumor. The article states that President Fernando Collor could be losing weight as a result of an illness called ulcerative rectal colitis [retocolite ulcerativa]. Claudio Humberto said President Collor has reached ideal physical condition after intensifying his workout during the last four months.

The spokesman pointed out that every weekend Collor does his Cooper [preceding word in English] tests and the results improve every week. "The president is running

more than an Army cadet," Claudio Humberto said. He compared Collor's record of running 5 km in 24 minutes to the 25 minutes a cadet has to run the same distance. He asserted: "President Collor's state of health is very good. He has not been ill for a long time, not even with a cold."

In its 20 January issue, the Rio Grande do Sul daily published an article on President Collor's alleged illness. According to the article, ulcerative rectal colitis causes—among other symptoms—loss of appetite and sudden weight loss. The article added that the illness can be a result of emotional problems such as stress, although its origin is unknown. The illness, however, is not serious.

Sao Paulo Continues To Pay Pension Readjustment

PY2101235492 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 21 Jan 92

[Excerpts] The decree suspending payment of the 147-percent readjustment to pensioners signed by President Collor is not being enforced in Sao Paulo. Banks made payments today as planned.

[Begin unidentified reporter recording] [passage omitted] Throughout Sao Paulo State there are more than 2 million social security beneficiaries entitled to the 147-percent pension increase. At least 400,000 of them already have received this increase. The others will continue to be paid until 24 January. This is because Sao Paulo is the only state in the country where the courts ruled in favor of retirees and pensioners. In view of this, not even the new presidential decree can suspend the pension payments. [passage omitted] [end recording]

Marques Justifies Freeze on Pension Increase

PY2201014092 Rio de Janeiro O GLOBO in Portuguese 20 Jan 92 p 3

[Report by Miriam Leitao]

[Text] Economy Minister Marcilio Marques Moreira said the government will not pay the 147.06-percent increase to pensioners if Congress does not approve "a new source of funds." The minister said it is not possible to redistribute budget allocations because "it is already very austere." The minister thinks the deadlock will have a pedagogical effect on the country.

"We now have a very clear opportunity to learn an important lesson: We cannot spend what we do not have," Marques said.

Asked if this attitude will cause a conflict between the executive and judicial branches, Marques Moreira said the conflict, if there is one, will be based in the judicial branch itself.

"Lower court judges are resolving problems that affect the country," the minister criticized.

Marcilio Marques Moreira is pleased with the new team that has resulted from changes at the ministry.

"We are talking a lot; the climate in Congress is favorable to dialogue. We are going to work with the new ministers to find a solution to the problem," Marques said.

Marques Moreira emphasized that the court decision ordering the government to pay an adjustment to pensioners will only be fulfilled when the government has money for such payments.

"The government will not pay pensioners if it does not have the money. It is a cash problem."

The minister thinks it is impossible to find new resources for the social security system in the budget.

"The budget is not a government decision; it is the Brazilian people's decision because the document was approved by Congress," the minister said.

The minister ruled out the possibility of postponing the construction of the Rio de Janeiro subway.

"The subway proposal was finished three years ago and will cost only $600 million. In the case of pensioners, we are speaking of $4 billion. The amounts in question are quite different," the minister said.

According to Marques Moreira, Brazil did not promise the IMF anything on the pension issue.

"Brazil did not promise the IMF anything simply because the IMF works as a cooperative: Brazil as a member of the cooperative only communicates what it will or will not do," Marques said, adding that the Brazilian mission only informed the IMF that the government would not issue money to pay for the adjustment.

The economy minister said that Brazil sent "copies of President Fernando Collor de Mello's pronouncements on the issue" to the IMF. The minister said the Brazilian mission reported that the Brazilian Government and Congress are trying to find a formula to cover the new expenses.

New Labor Minister on Social Security Problems

PY2101231192 Sao Paulo FOLHA DE SAO PAULO in Portuguese 19 Jan 92 Section 1 p 7

["Exclusive" interview with Labor Minister Reinhold Stephanes by Sergio Cross in Brasilia on 18 January]

[Text] [Cross] Will you change your team of advisers to make the changes you want in the social security system?

[Stephanes] It is still too early to decide that. I was designated on 17 January and will be installed on 20 January. There is great concern about introducing changes that might worsen social security's existing

problems. Remember that the change of players has to be made while the team is playing.

[Cross] What are the main problems?

[Stephanes] There are two basic problems: One of them is the emergency caused by the financial crisis. The deficit, no matter how much you turn the problem around, remains around 11 trillion cruzeiros. This is a very serious problem that we must face in the short term, and it will dictate what we do during a certain period. We also have very serious structural problems. We can summarize the problem with this data: We have two contributors for each pensioner. The ideal level would be four or five contributors for each pensioner.

[Cross] Will you try to enlist workers from the unregulated market?

[Stephanes] Yes. We have a 45 million-strong active labor force, but only 25 million of them are contributing. We have nearly 20 million workers who participate in one way or another in the unregulated market.

[Cross] Will you propose to the government new ways to avoid paying the 147.06-percent increase to pensioners? Did the government not lose enough face before society with this episode?

[Stephanes] I do not want to discuss that yet because we are just beginning to review the issue. I mentioned the topic because I was my party's (PFL [Liberal Front Party]) coordinator to analyze that problem.

[Cross] How do you intend to recover the political prestige of your portfolio? During the administration of former Labor Minister Antonio Magri, the ministry stopped participating in the discussion of the great national issues and suffered an important drain of technicians who migrated to Congress and the private sector.

[Stephanes] I cannot discuss the merits of those points. You have made that judgment yourself, not me. But if we are going to speak about experts, it is clear that we have to have people who understand the problem. We have to take into account that the social security system is complex. I wrote that in a book ("Social Security—A Managerial Problem," from 1982) 10 years ago. It is not enough to have a good minister, a good president, a good board of directors. The system has to be controlled by experts at all levels.

[Cross] Do you favor the total or partial privatization of the social security system?

[Stephanes] The basic social security service, anywhere in the world, will always be public, regardless of the type of government. We have to discuss the merits of having complementary and private assistance. But we are not ready to discuss the topic at this time. We have problems (structural and cash) that come before that kind of discussion.

[Cross] How do you intend to administer the Labor and Social Security Ministry?

[Stephanes] Those who know me can answer that. One of my trademarks is austerity. It is more than a trademark, it is part of my character.

Satellite Launch Delayed for Lack of Funds

PY2101225292 Rio de Janeiro O GLOBO in Portuguese 18 Jan 92 p 22

[Text] Sao Jose dos Campos—Due to a lack of funds, the Brazilian Government has given up plans to launch the first national satellite before the UN Conference on Environment and Development (Rio-92), which will be held in June. The government has decided to create a civilian space agency and introduce it to the 130 countries that will participate in the Rio-92 meeting as a new Brazilian achievement toward modernity.

Since April 1991, the Aeronautics Ministry has been negotiating with the U.S. Orbital Science Company to launch the Data Collection Satellite [Satelite de Coleta de Dados—SCD-1] for $11.5 million. The terms for signing the contract and the commercial proposal's validity have been postponed several times, the last time at the end of December when directors of the U.S. company came to Brazil in an attempt to speed up the agreement.

Now the Aeronautics Department of Research and Development (Deped) has announced that it will try to obtain the necessary resources and sign the agreement before 15 February. The U.S. company established this day as the deadline if Brazil intends to launch the satellite this September. Institute of Space Research (Inpe) scientists who are linked to the program still doubt the possibility of meeting this deadline.

The scientists built the satellite believing it would be launched by a rocket designed and manufactured by the Aeronautics Ministry at the Aerospace Technical Center (CTA). Nonetheless, the Brazilian launcher will not be completed before 1995, and Inpe experts know nothing about the U.S. Pegasus rocket, which is manufactured by Orbital Science.

According to these experts, they need at least six months of tests to learn whether the SCD-1 can handle the vibrations of the U.S. rocket. The rocket is an innovative model. It is carried by a Lockheed Tristar plane and launched at an altitude of 10 km.

The SCD-1 will operate at an altitude of 700 km. There it will receive information from data-collecting ground stations in the atmosphere and on the earth's surface. The digital data will be gathered by the satellite's onboard computers and retransmitted to control centers and the Inpe's Weather Forecast and Climatic Studies Center.

The data will be used in weather forecasts and environmental studies nationwide. The Inpe has spent $150

million to develop the SCD-1 and has a project for a second model to be used in metereological studies, plus two more for remote-sensoring tasks, which can photograph the earth's surface.

'Standstill' Reported at Power Plant Sites

PY2001200692 Sao Paulo VEJA in Portuguese 15 Jan 92 p 27

[From "Radar" column by Ancelmo Gois]

[Text] A report drawn up by private consultants puts the finger on a sore spot: Brazil is simultaneously building 17 hydroelectric power plants, five thermoelectric power plants, and two nuclear power plants, and all of them are at a standstill, without funds. Minto, the Xingo hydroelectric power plant project on the Alagoas State-Sergipe State border, is the only one making progress. The rest have become a huge cemetery of concrete and steel. The report says the government is delaying the definition of priorities.

Braspetro To Explore for Oil in Cuba

PY1801182092 Rio de Janeiro O GLOBO in Portuguese 17 Jan 92 p 23

[Text] For the first time ever, Braspetro [Petrobras International Inc.], a Petrobras [Brazilian Petroleum Corporation] subsidiary that works abroad, will prospect for oil in Cuba this year. This was reported yesterday to O GLOBO by Braspetro Vice President Izeusse Dias Braga, who discussed the issue with one of the Cupet [expansion unknown] directors who visited Brazil this week.

Dias Braga explained that in view of the disintegration of the USSR, Cuba's main oil supplier, Cuba is approaching Brazilian companies to obtain their support in its weakest areas, such as deep-water prospecting. According to international standards, Petrobras is more developed in this area. Cuba consumes 200,000 barrels of oil per day and produces 20,000 barrels per day; that is, only 10 percent of what it consumes.

Dias Braga explained that Braspetro is assessing two offshore [previous word in English] areas, some of which are on land and others in the deep sea. [sentence as published]

He added: "We are studying the areas of greatest interest even though we only have scant information available. We will make a feasibility study after the areas have been selected."

Dias Braga stated that the closure of the business deal will depend on the Brazilian Government's authorization. He announced that this year Petrobras will open a gas service station in Paraguay. This will be the first time Petrobras has opened a gas station abroad. He added that Petrobras is also planning to launch a gas distribution system in small Latin American markets to gain experience.

Vaccines To Be Produced With Cuban Technology

PY2101014692 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 20 Jan 92

[Report by Cleide Lopes]

[Text] Brazil will produce vaccines with Cuban technology. The Health Ministry has signed a technical cooperation agreement with the Cuban Government that will allow Brazil to begin producing vaccines against Type A and Type B meningitis with Cuban technology.

According to Health Minister Alceni Guerra, production of the vaccines may begin this year. It has not been decided, however, where the laboratory to produce them will be built.

[Begin Guerra recording] We will build a laboratory in Brazil to produce vaccines with Cuban technology. We are now discussing where to build it, and I vote for the Fiocruz [Oswaldo Cruz Foundation]. [end recording]

According to Minister Guerra, Brazil also can produce vaccines against cholera and leptospirosis. The Cuban experts already are experimenting on these vaccines.

Cultural Sanctions Against South Africa Lifted

MB1901125892 Johannesburg South African Broadcasting Corporation Network in English 1100 GMT 19 Jan 92

[Text] Brazil has reestablished cultural, artistic, and sports ties with South Africa. However, it said that it would maintain a ban on exports of petroleum products to South Africa.

Brazilian President Fernando Collor de Mello said the restrictions have been lifted because of the progress made in dismantling apartheid.

* Franco Views Cabinet, Prices, Privatization

92SM0216B Rio de Janeiro MANCHETE in Portuguese 28 Dec 91 pp 84-86

[Interview with Vice President Itamar Franco by Carlo Chagas in Franco's office; date not given: "The Frankness of the Vice President"]

[Text] While mayor of Juiz de Fora at the beginning of the 1970's, Itamar Franco received the newly-appointed commander of the ID-4, General Itibere Gouveia do Amaral, who told him at the outset: "Young man, if I had been in my command for a longer time, you would not be here at City Hall." Franco smiled, and without losing his composure answered: "But I am here, right, General? I was elected by the people."

Later the two actually became friends, but the young man's position remained unchanged, i.e., he only practiced politics as a representative of the people, via the ballot box. In 1974, he entered the Senate on the crest of the wave of 16 opposition victories that began to change

Brazil. Along with Paulo Brossard, Marcos Freire, Orestes Quercia, and others, he often burned the midnight oil without knowing whether he would still be a senator in the morning. Rumors about people being stripped of political rights were sweeping Brasilia, but the delegations from what was then known as the MDB [Brazilian Democratic Movement] kept up the fight and the dictatorship was eventually defeated.

Now, as vice president of Brazil, he rarely gives interviews. He is cautious because of the very nature of his duties, remembering that in Minas political arithmetic is always at work. First is first, second is second. He knows his obligations and limitations and carries them out very well, never allowing himself to upstage the president.

His loyalty to Fernando Collor is above suspicion even though, on the plane of ideas, they may disagree on a lot of things.

When he is acting president he keeps the Cabinet in an uproar. In the morning and evening he holds meetings with the so-called inner circle ministers, plus the minister of justice, wanting to know about everything that is going on in the administration and in the country as a whole. During the day he calls in the other ministers. It is not unusual for him to say to one of them, as he did last week: "Ask Dr. Celio (Celio Silva, general counsel of the Republic) to stand by and stay near the telephone. I'm going to need him in a little while."

In the interview he granted MANCHETE, Franco does justice to his surname by being frank, as always. He did not shy away from answering, even on ideas that differ from those of President Fernando Collor.

[Chagas] Mr. Vice President, what is it like to govern the country on an interim basis at a time when there are so many problems: inflation, recession, unemployment, high prices?

[Franco] It would be hard enough without all that. The vice president has a line he cannot cross. If he does cross it, he is immediately criticized. But if he stands still, there will still be criticism. Could he, for example, in just hours or days, change the administration's economic policy? Even if he wanted to, even if he had some different ideas—and this needs to be emphasized—how could the vice president of the Republic, during a brief period as acting president, change the government's entire economic program? So you just remain alert to the difficulties, particularly during a recession, with that soaring inflation and high costs out there. The complaints about the present context are terrible. I notice that the president is sensitive to what is happening in this country. As for myself, as vice president, I have more freedom, more mobility. I'll give you an example about the retirees. The other day in the Rio de Janeiro airport someone asked me: "Are you the vice president of Brazil?" I answered yes. "I want to tell you that I worked for 42 years. My pension was equivalent to three minimum wages. Today, with this recession and cost of living, I am receiving one-and-a-half wages. What do you think about that?"

Before I could answer he had already turned and walked away. I was left with that bitter feeling, and I mention the pensioners because that is a hot topic right now. The government has trouble answering such questions, especially those of a social nature, regarding the cost of living, the price of medicine. The vice president must not be found lacking in loyalty toward the president. The vice president was elected along with the president of Brazil.

[Chagas] During the times you are the acting president, are you pressured by politicians, businessmen, or even ministers?

[Franco] I would not call it pressure, but of course I do get requests, and they come up suddenly. You maintain direct contact with a deputy, a senator, or even an ordinary citizen and then when you are acting president, they show up to give you their opinions. A lot of things can't wait; at times some emergency measure, some quick action, some prompt solution, is required. The pressures, at least in my case, have been pressures in the good sense of the word, even intended to change the government's economic policy, to respond to some of the essentially social demands. Of course, my limitations do not permit me to satisfy these requests.

[Chagas] Is the Collor cabinet the cabinet of your dreams?

[Franco] If I were to say it is not, then you might ask me whom I would have as minister of the economy, or of social action. The Cabinet is President Collor's. He is the president of Brazil. Without casting any aspersions on President Collor, I can say I would make some changes—not with regard to names, but in relation to the ministerial structure. I would change it if I were president. I can express this opinion because I have already expressed it to the president. I am not committing any act of disloyalty or disagreeing with him in public when I say that I think it is vital to recreate the Office of Chief of Staff. The president did well to turn the responsibility for political coordination of the administration over to Minister Passarinho, but it is the Office of Chief of Staff that must sustain it. If I were to decide that I would like to amend the Constitution or get in touch quickly with the National Congress, I need to have a full-time [preceding word in English] man, not just to handle relations with the legislature but also to take care of the people who need to talk to the president. I would also split up the Ministry of the Infrastructure, which is much too big to be headed by just one person. President Collor was right to create the Ministry of Children and attach it to the Ministry of Health. But why not set up a Ministry of Youth? Why not take involvement with so many youth issues out of the orbit of the Ministry of Justice? I could also talk about another administrative problem. All of a sudden the National Department of Reclamation

Projects, Portobras, and the DNER [National Highway Department] have all been abolished. Those agencies no longer exist under the new structure, but their administrative role is still being performed, subordinate to other ministries. I believe we must take another look at the administrative structure of this country.

[Chagas] And how is your relationship with President Collor?

[Franco] It is a rather friendly relationship, characterized by mutual respect. Hanging here in the office is a photograph that shows Senator Ney Maranhao—the current leader of the government—President Collor, and myself on the occasion when President Collor invited me to be his running mate. At that point, the polls were giving President Collor a rating of about 3 percent in terms of voter intentions. During the campaign, some of my friends opposed my support of President Collor. And I suppose there were some of his friends who didn't agree with his selection of me as his vice president. But it was a grueling campaign in which we traveled together through a good part of Brazil's territory. The campaign always serves to bring the candidates closer together. So I have a lot of respect for the president. Of course, just as any citizen, I can disagree with him in the realm of ideas, on this or that aspect of his administration.

[Chagas] While serving as acting president, you have gone over to the Congress and participated in a session of the Senate. Is that unusual in Brazil nowadays?

[Franco] The Senate was my home for 15 years. And it is a pity that there no longer is—and there ought to be—closer and stronger ties between the president of the Republic and the National Congress. Obviously, when I entered the Senate chamber—a greatly-beloved place—I was also doing so as an ex-senator. I was greeted most affectionately by President Sarney, who was presiding, as well as by the senators. This proves that such proximity—with both the Senate and the Chamber of Deputies—is necessary.

[Chagas] Prices in general are very high. Would you favor some selective control of at least some of the staple items?

[Franco] I am in favor of selective price controls, especially on the most needed items. Take medicines, for example: it's just not possible that medicine prices can suddenly start being raised every time you turn around, every minute. It's just not credible that this can happen. I'll go further than that. This problem of the medicines is one of profound social impact. It touches the average citizen directly. So the government should, and needs to, maintain an effective control over the price of medicines.

[Chagas] And over basic food products too?

[Franco] Those too. They would have to be kept under a selective price control. Why do we need selective price controls? Why don't you go out and listen to the people in the street, in my hometown of Juiz de Fora, for example? You would hear the housewife say: "Mr. President, I bought a certain amount of chicken on Monday for so many cruzeiros. And today, Friday, I went back to buy the same amount of chicken and found that the price has doubled." Selective control is not interference; rather it is vital that the public authorities be on the side of the neediest, the weakest. So, in my view, selective price controls urgently need to be put into effect by the government.

[Chagas] Speaking of increases, do you think the 143 percent pay raise the deputies gave themselves is fair?

[Franco] It's not appropriate for me to give an opinion about the Brazilian legislature. But right away you could say: "And what about the retirees and the civil servants?" I believe these people, too, must be looked at with the proper respect. And here I am not hiding anything—I have already said publicly and already conveyed it to the president that I have always been in favor of the 147 percent adjustment for the retirees. I hold a well-considered opinion on the matter, unless someone can show me proof to the contrary. Just a little while ago Minister Passarinho told me that the Social Security System which has already withstood so many blunders, and even corruption, is going to go bankrupt because of this 147 percent. Once I have those figures in hand, I might come to agree with those who say so. But the feelings of one who has firsthand knowledge of the plight of these longsuffering people who are Brazil's retirees are also worth something.

[Chagas] And is there a solution for Brazil?

[Franco] Obviously there is. I had a chance to talk, albeit briefly, with the executive director of the International Monetary Fund, Mr. Camdessus. He told me that he had noticed some movement of Brazilian society. There is one thing he must understand: that Brazilian society today is a society full of people who have demands and claims to make, and if we reach a certain level of unemployment we will have a very violent crisis on our hands—a terrible explosion. I completed Mr. Camdessus's rationale by saying that it was my duty as acting president to respect the decision of the Brazilian Government expressed in the recent letter of intent. I cannot pursue any other course of action. But I wanted to remind him, respectfully, that we are coming to the end of this century and can already see the lights of the Third Millennium, and that the social factor cannot continue to be a byproduct of economic development. We Brazilians, who still see misery stalking millions and millions of people, we would like to see the Brazilians find social justice.

[Chagas] Well, Mr. President, what's in fashion now is totally free competition between unequal quantities, both among nations and among individuals. It's unbridled denationalization. It's the absolute market. What do you think of this?

[Franco] All of a sudden we're imagining that this is the First World here, that we have a free market. Very well, we would like to see the state have less influence on the economic order, and would like to see privatization proceed. But it must proceed with a certain degree of caution. It's become a matter of parroting a message. This individual comes in and flails away at public opinion for three, four, months saying: "Look, we are going to privatize because we want to invest in education, security, and health." That's like the boy who memorized the multiplication tables. But the story is not as nice and pretty as it seems. Take the case of Usiminas [Minas Gerais Iron and Steel Mills, Inc.], for example. We were against it, but not because we are from Minas Gerais. Why didn't the government start with those companies in which it has a minority interest? Why didn't the government sell off assets that it no longer needed to be responsible for? That wasn't done. Pretty soon you're going to say that I differ with President Collor on a lot of points. But the Usiminas case is typical. The other day we had some high-ranking German official who is going through the privatization process ask us why we did not sell off part of the controlling interest to people who know how to manage the Brazilian steel process instead of selling off the whole company. And how did they go about selling the company? First, by allowing it to be bought by the Vale do Rio Doce Company, either with funds that are controlled by the government or—which is more serious—using those so-called "moldy papers." I would like to know how much of the capital obtained through the sale of Usiminas has now been invested in education, security and health. I don't know how much the sale yielded. No one is against privatization. We want a free market, yes, and free competition. But in a country like ours there has to be some control. Many people can say: "Look at that reactionary vice president who has not changed with the times, who comes in with this narrow-minded, old-fashioned mentality." I accept that characterization but I repeat that there is still a need in our country for government control in certain economic activities.

* Year-End Poll Reflects Unprecedented Pessimism

92SM0216A Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Dec 91 p 3

[Text] Brazilians have just broken all their records for pessimism. No less than 48 percent of the population thinks next year will be poor or terrible. In addition, there is another 6 percent who thought that the year now ending was good but doubt they will have the same luck in 1992. These figures are the result of a survey conducted by the Gallup Institute in November and being published exclusively by O ESTADO and by JORNAL DO BRASIL.

In the entire series of polls that Gallup has been taking since 1969, the public came close to this degree of discouragement only in 1988, when 43 percent of Brazilians anticipated trouble in the following year. Only then and in the latest survey did the number of pessimists exceed that of the optimists. "It seems the exacerbation of the economic crisis has made the Brazilians, who are traditionally optimistic, face reality," observed Gallup director Carlos Matheus.

Predictions

For those who doubt that the recession is to blame for the pessimism, Matheus cited one of the results of the comparison among the indices of optimism in 45 countries that O ESTADO will publish in tomorrow's edition. "In our neighboring country, Argentina, there is remarkable euphoria because of the apparent success of the latest measures in the economic area."

As taken in Brazil, the Gallup poll did not cover the repercussions of December's deceleration in the inflation rate. But there is no question that it reveals the assimilation, by the general public, of the immense majority of the statements on the future made by businessmen of all stripes and by most of officialdom, including President Fernando Collor himself. "1992 will be another year of difficulties," the president has repeatedly said in his speeches.

Data Collected in 189 Cities

Gallup Institute researchers conducted 2,763 interviews in 189 cities in all parts of Brazil in order to measure the extent of pessimism and optimism among Brazilians. The poll consisted of four basic questions regarding expectations for 1992: Will it be better or worse than 1991? Will there be fewer strikes? Will there be less unemployment? Will it be a year of peace?

Gallup headquarters in 44 other countries took surveys on the same issues during the same period, which made it possible for the institute to construct a chart of degrees of optimism, by regions of the world. O ESTADO will publish the results of this effort tomorrow.

The Brazilian part of the survey shows that not only is there a high degree of despair about 1992; there is also a record level of negative assessments of the year now ending. According to figures from Gallup, which has the results of polls on that question available for every year but 1985, one can say that Brazilians have just spent the worst year of their lives.

Just to give our readers a point of reference for the current pessimism, let us recall that until 1990 more than 20 percent of Brazilians felt they had experienced a good or even wonderful period during the previous year. The national record for happiness was reached in 1986, year of the Cruzado Plan, when 39 percent of the population said that those 12 months had been good or great. This year, only 2 percent think their lives have been great since January, and 15 percent rate them as good.

People Expect More Unemployment

An increase in unemployment is the catastrophe the public most expects to befall them in 1992. More than 70

percent of the people interviewed by Gallup believe there will be more layoffs in the new year. Weighing the prospects for the economy, 64 percent believe that 1992 will be marked by an increase in difficulties. After the employment issue, it is the possibility of more strikes that most disheartens the Brazilians. Almost two thirds of the respondents expect a greater number of strikes, beginning in January.

Not even the European unification process and the changes in Eastern Europe appear to comfort the people of Brazil. Running contrary to many predictions by international analysts, who anticipate a future with fewer conflicts, Brazilians are betting that there will be more wars in 1992 than in 1991. To 23 percent of the people interviewed by Gallup, there is a more than 50-50 chance that there will be another world war in the next 10 years.

"The series of polls shows clearly that an absence of optimism is also related to the lack of prospects for change in the near future," observed Gallup director Carlos Matheus. Indeed, the moments of greatest euphoria have always been related to the political scenario. Brazilians were found to be optimistic, for example, during the campaign for immediate direct elections, following the election of President Tancredo Neves, and during the 1989 election campaign.

The picture is only slightly different when respondents evaluated 1991; 17 percent thought it was a great or good year, 41 percent said it was so-so, and another 41 percent said it was poor or terrible. The ones who least liked 1991 were the people from classes A and B (51 percent and 49 percent, respectively); residents of the Southeastern region (45 percent); and residents of the state capitals (44 percent). It was in the Northeast and South that the highest indices of "great" and "good" for this past year were recorded: 23 percent and 20 percent, respectively.

Chile

Lagos on Designation as Presidential Candidate

PY2001182692 Santiago Radio Chilena Network in Spanish 1600 GMT 20 Jan 92

[Text] When commenting on the informal announcement of Education Minister Ricardo Lagos as presidential candidate for the Socialist-PPD [Party for Democracy] bloc in the 1993 elections, President Patricio Aylwin said he hopes that the presidential race will not begin too soon.

[Begin Aylwin recording] The party has a right to designate its candidate, legitimately exercising its political right. However, I hope this will not hasten the presidential race, because I think there is still a long way to go and it would be (?disruptive). [end recording]

The president, who declined to comment on any possible Cabinet changes, made these statements as he arrived at La Moneda palace. A short time later, education minister made some statements from the palace.

Minister Lagos said he hopes to continue as head of the Education Ministry for as long as the president maintains confidence in him. Lagos said the unofficial announcement of his name as PPD presidential candidate must not be misinterpreted as an unfriendly action against any political party.

[Begin Lagos recording, in progress] ...what the country... [pauses] I repeatedly said that I want things to be done at the appropriate moment. It think it was the expression of a will, a desire, like that made by other parties and nothing else. Consequently (?it must be evaluated) at the appropriate moment. For the time being I must continue to work in my job. [end recording]

When asked when his post will be compatible with a presidential candidacy, Lagos answered: I am not campaigning for a candidacy. I am simply working as an education minister.

Regarding a recent opinion poll that showed that the majority of the public would prefer Eduardo Frei [Christian Democracy leader] if elections were held today, Lagos said that polls must be analyzed at the appropriate moment, not years earlier.

Today Lagos met in La Moneda palace with Enrique Correa, minister secretary general of government; Jose Antonio Viera-Gallo, Chamber of Deputies president; Socialist Party President Ricardo Nunez; and PPD Secretary General Sergio Bitar.

The education minister also said that to happily vote for a candidate who does not belong to our party, just as the PPD and the Socialist Party did for Patricio Aylwin, represents a real spirit of coalition. Lagos made the comment in reference to forecasts of a split within the Coalition of Parties for Democracy [CPPD] if he becomes a presidential candidate.

[Begin Lagos recording] There are three aspects: first, the need to maintain the coalition; second, the need to maintain our support for the president and to consolidate achievements in the next two years rather than simply administrate; third, this declaration must not be interpreted by anyone as an unfriendly attitude. [end recording]

Lagos said that the PPD decision in its latest general council meeting in Chillan was the verification of a reality. The announcement of a presidential candidate is a proposal we will make to Chile at the appropriate moment. If the CPPD is split by a candidacy, it means it is not a coalition, the minister said.

Economic Team Announces New Measures

PY2101232292 Santiago Radio Chilena Network in Spanish 1600 GMT 21 Jan 92

[Report by Maria Cristina Prudan]

[Text] The government today announced some initiatives based on savings and investments to reinforce its economic growth strategy and to help strengthen ties with the international economy. This was reported today during a joint news conference by Finance Minister Alejandro Foxley, Economy Minister Carlos Ominami, and Labor Minister Rene Cortazar.

One of the most important measures is the preparation of regulations to allow pension funds to be invested abroad only in fixed-earning investments. The finance minister said that it was agreed with the Central Bank to allow only 1.5 percent of the accumulated pension funds to be invested abroad. Since the accumulated pension funds currently amount to $10 billion, the maximum amount that may be invested abroad will be $150 million.

Another measure consists of allowing pension funds to finance projects of new enterprises, because until now the pension funds could only finance enterprises that had been in existence for at least three years. The finance minister said this mechanism is expected to initially help finance great mining and energy investment projects and infrastructure works built through private concessions. It is estimated that between $200 million to $300 million of pension fund resources will be channeled to finance new enterprises.

The ministers also announced other measures such as financing capital goods exports. For this purpose, the government already drew up a mechanism for mid- and long-term financing for the exportation of capital goods and durable goods, as well as engineering and similar services.

As for Decree Law No. 600, the government has decided to send Congress a draft bill to reduce from three years to one year the required permanence for foreign capital, be it new or the reinvestment of profits.

It was also has been decided to lower the 49.5-percent tax to 42 percent [not further specified].

Finally, and within the objectives to modernize the currency laws, the government will propose some changes to update Decree Law No. 600, expedite investments, and increase the promotion capacity of the Foreign Investments Committee.

Finance Minister Foxley stressed the meaning of these measures for the national economy:

[Begin recording] These measures will allow a better use of the savings resources available in the country, most of which are the pension funds administrations. They will likewise allow a larger share of these savings resources to generate new job opportunities for all Chileans. I think the essential point of these measures is to increase our economic growth potential. [end recording]

Finally, the ministers said these measures also represent a new space for the consolidation of new investment opportunities, which will contribute to the creation of stable and good-quality jobs for Chilean workers.

Krauss Discusses Charges Against Lautaro Members

PY2101145692 Santiago Radio Cooperativa Network in Spanish 2200 GMT 20 Jan 92

[Report by Manuela Robles; passages within quotation marks are recorded]

[Text] The Interior Ministry has filed charges on three counts against members of the Lautaro movement, and Interior Minister Enrique Krauss has urged right-wing sectors to assume their responsibility before history regarding the proposal placing carabineros under the jurisdiction of two ministries.

Regarding the first subject, the charges against Lautaro, Krauss said: "Following instructions from the president of the Republic, the Interior Ministry has decided to file, for the time being, charges on three counts: The first charge, unlawful association and violation of the Anti-terrorist Law, was filed before a San Miguel court against Bernardo Antonio Acevedo Lagos, Sergio Mauricio Espinoza, Francisco Javier Flores Munoz, and Pilar Alejandra Pena Rincon."

The second charge was filed against Acevedo, Ojeda [name as heard], and Espinoza in the case of (Marcos Antonio Neiti), who was helped to escape as he was being taken in custody to a medical post. Violent actions were used to help him escape. The third charge was filed against Acevedo Lagos in the murder case of Concepcion investigative officer Hector Sarmiento.

Asked if he had any information about the four Chileans charged in Spain with being ETA [Basque Fatherland and Liberty] members, Krauss said: "We have contacted the Chilean ambassador and, through him, Interior Minister Jose Luis Corcuera and Security Secretary Rafael Vera. We have offered them our full cooperation in supplying any records they might require on the individuals involved in this case. The Spanish officials have thanked us for our offer, but thus far they have not yet made any specific request."

Meanwhile, a vote on the proposal on double jurisdiction over the carabineros is pending. Commenting on the right wing's position on this proposal, Krauss said: "Those who believe one can indulge in political juggling on such delicate matters should be more responsible. Fourteen days ago, I privately contacted the presidents of both opposition parties and conveyed to them what I believe are the basic elements—which are not only of an institutional nature, but which are in the best national interests—whereby we deem it appropriate to introduce changes in the current structure."

Krauss said the leaders of the right wing have not responded, and that as far as he knew there are no

problems with the mail service. He criticized the fact that these matters are being disseminated through the press.

Commenting on tomorrow's vote, he said: "We have emphasized the extreme urgency of this subject. Thus, the National Congress, namely the Chamber of Deputies, definitely ought to adopt the position required in this case. Consequently, let each one state his position on this topic and assume his responsibilities before history."

Krauss concluded by saying that the government will not waver in its decision to fight terrorism and crime through legal means.

MPMR Threatens To Help Prisoners Escape

PY1501171292 Santiago Radio Chilena Network in Spanish 1000 GMT 15 Jan 92

[Text] The Manuel Rodriguez Patriotic Movement [MPMR] does not dismiss the possibility of helping political prisoners escape in order to gain their freedom. MPMR Deputy Secretary Leandro Torquio made this statement and reiterated his criticism of Patricio Aylwin's government.

[Begin recording] The coalition government has not fulfilled its promises; therefore, we cannot rule out an escape. Neither do we rule out companero Sergio Bushman's clandestine entry into the country. We believe these operations will contribute to democracy because what is needed in Chile is justice. [end recording]

The government's unfulfilled promises refer to freeing political prisoners, speeding up the trials against them, and to the imprisonment of those who violated human rights, Torquio said.

The secretary added that Sergio Bushman does not have a passport and the Chilean consul in Sweden has refused to give him a new one, offering him only a visa to come to Chile. Bushman is sought by Chilean justice. He broke out of Valparaiso's jail in August 1987. He was charged with bringing the weapons found in Carrizal Bajo into the country.

The Interior Ministry, through legal consultant Sergio Burgos, characterized the MPMR's statements as boasting and the first act of a comedy that the MPMR wants to stage in Chile. The MPMR said publicly that it was ready to support Segio Bushman's clandestine entry into the country and support escapes by political prisoners.

[Begin Burgos recording] It is clear that Bushman's clandestine entry into the country is possible, for instance, using forged documents. The first thing the Investigative Police and the prosecutor in charge of his case will do, in the hypothetical case that the MPMR mentions, will be to summon Torquio and the other spokesman who made those remarks. [end recording]

The Interior Ministry spokesman said Bushman can enter the country without any special documents, but he will be arrested and placed at the disposal of the court as soon as he does so because there is a warrant for his arrest.

Vega Says Arms Affair Affected Country's Image

PY1701120492 Santiago Television Nacional de Chile Network in Spanish 2330 GMT 17 Jan 92

[Text] Chilean Air Force [FACh] Commander General Ramon Vega has said that Chile's image abroad was affected by the illegal arms shipment affair, adding that foreign procedures affecting the FACh were not hurt.

Gen. Vega visited President Patricio Aylwin at La Moneda Palace at noon today to inform him of the FACh programs for 1992. He was later asked about the smuggled arms affair. Vega said that the investigation is being handled very well, but he refused to comment on who has jurisdiction in the inquiry: civilian or military justice. The investigation, Vega added, must be conducted by the institution most capable of finding the truth. Vega commented on the effect on Chile's image abroad:

[Begin Vega recording] I think that mistakes were made in this very sensitive area of international arms trade. If a deal is not handled properly through the appropriate technical and legal channels, it will negatively affect the country's image. [end recording]

The FACh commander ruled out any administrative negligence because the different levels involved cannot verify each paper placed in front of them.

[Begin Vega recording] The export procedure used was adequate. It is based on good faith by all who participate in it. We do not need to increase the requirements, there are enough. [end recording]

* Central Bank President on Economic Targets

92SM0198C Santiago EL MERCURIO in Spanish 10 Dec 91 p B5

[Text] The new president of the Central Bank, Roberto Zahler, said he expects inflation in Chile to drop to single digit levels by the end of five years; he stated that the Central Bank will continue the policies it has been implementing to reduce this "regressive tax" which ultimately hurts the poorest people.

Zahler officially assumed office for a five-year term, along with the new Central Bank Council member, Pablo Pinera (whose term will be 10 years) during a special Council session. Participating in this session were the other Council members, Enrique Seguel Morel, Alfonso Serrano, and Juan Eduardo Herrera.

In welcoming Pinera, the Central Bank president said he is the first Council member whose appointment was made by a president of Chile elected by the citizens and

then ratified by the Senate. "This pleases us, as it shows democracy is growing stronger, and it reinforces the legitimacy of all Chile's institutions," he said.

He emphasized Pinera's technical and personal abilities and rejected the arguments of those who objected to him because he had served as undersecretary of finance and had been a party activist. Zahler felt it was "almost an insult" to assume that highly qualified people of undisputed integrity, like the Council members, would subordinate the decisions they make in exercising their public responsibilities to political, personal, or other loyalties.

Moreover, Zahler emphatically stated that only increased savings will make it possible to continue to move toward greater price stability, sustain a healthy exchange rate, and gradually reduce interest rates, bringing about increased investment, more productive activity, more job opportunities, and higher wages.

He called for increasing both private and public savings, saying: "It is time for us to begin to realize the need to promote a real savings culture, which will guide the activities and decisions of all sectors, including individuals and families. Individuals, private industry, and the public sector all have to save more; this is demonstrated by the experience of recently industrialized nations."

Press Conference

In his first press conference, Zahler said he will maintain a relationship with government officials very similar to that of his predecessor: frequent consultations, coordination and working sessions intended to make the Central Bank's autonomy more efficient and legitimate.

In response to a question, he said it is only necessary to make public any possible disagreements that might arise between the Central Bank and the government when all avenues of discussion, working sessions and basic agreements on technical issues have been exhausted. But he expressed his conviction and expectation that such situations will not arise.

He commented that during the past two years there have been no major disagreements on macroeconomic issues, except natural differences of opinion on some specifics. "There has been close coordination between the Ministry of Finance and the Central Bank. Especially during the past year, which was a very difficult time and a period of adjustment, fiscal policy was extraordinarily responsible; I would say that in general, the steps taken related to the two institutions have been quite closely coordinated."

Zahler noted that the savings issue is a challenge facing the nation as a whole: the public sector, but also, and in a very special way, the private sector as well.

He said that in analyzing public sector accounts, they have found a very serious savings effort, especially considering the commitments made to the poorest sectors in relation to social spending and the constitutional and other restrictions which limit the public sector's ability to reduce some spending.

He felt it was incorrect to call the public sector a major drain on savings, especially as it generally attempts to finance the bulk of its investments with its own savings.

About whether reduced public spending this year might have brought about better control of inflation, as his predecessor had said, Zahler explained that if the public sector had spent less, interest rates would probably have been lower, thus easing exchange and foreign currency markets.

However, he felt that it would have been hard to reduce the inflation rate, as that would have entailed a slower economic growth rate.

Zahler pointed out that reducing public or private spending eases interest rates, and through them, other factors in the economy, but he felt that "right now, given the monetary policy existing in Chile today, that is not the most direct mechanism for reducing the inflation rate."

Asked if he agrees with some analysts' opinion that this year's public spending may be twice the economy's rate of growth, Zahler said that is a highly technical matter, for some analyses include, and some do not, the Treasury's payment of 2 percent interest to the Central Bank; others compare the 1992 budget with the 1991 budget, etc.

He said that if the public sector can increase its savings, that will help in managing monetary policy and "this is something they have been doing during the past two years and in my opinion, it has been done very well, given the restrictions the public sector faces, and its commitments arising from the nation's social situation."

He said he expects no change in interest rate and exchange policies, though he observed that the Central Bank is continuously evaluating and reevaluating national and international events, and seeing how the various indicators are evolving.

"We have not considered a change in policy because we are quite satisfied with the results we have achieved to date. We have managed to reduce inflation significantly; we have resumed a steady rate of economic growth which is sustainable over time without overheating the economy, and we have produced a very healthy balance of payments financed through very accelerated growth, especially of nontraditional exports. We see no reason to modify those policies."

He reported that the exchange rate today is only 6 percent less than it was between 1985 and 1989, when the export boom started, in a more favorable foreign context, without an adjustment program with the International Monetary Fund or external strings attached, with a great influx of foreign credit, foreign investment, and an increase in exports. In such market conditions, he said they cannot consider a low exchange rate; this is corroborated by the strong increase in nontraditional exports.

"The figures show that our exchange policy is allowing exports to continue with dynamism," he said.

He expressed his satisfaction with the dollar's official level, saying that the actual value of the dollar is determined by the market, so if it is at the bottom of the range, it is because there is an abundance of foreign currency.

Zahler reported that the Central Bank's cash deficit, equivalent to two points, is "a perfectly manageable situation" from the viewpoint of monetary and exchange policy, as has been seen during the past two years. He said that in any foreseeable future this situation may be managed without greater problems, and it may even be managed through steady reductions in the inflation rate.

Nevertheless, he said that this does not mean it is not appropriate to reduce that deficit, for it is very large, but that requires decisions which cannot be initiated by the Central Bank.

About the debts of some commercial banks to the Central Bank, he reported that significant progress has been made by the commission established to deal with this matter. The commission is composed of the undersecretary of finance, the superintendent of banks, and Juan Eduardo Herrera, a member of the Central Bank Council. He said a consensual and case-by-case solution will be reached, and he expects solutions to begin to appear very shortly.

Colombia

Port Workers Declare General Strike

PA2001043192 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 19 Jan 92

[Text] A few minutes ago, the workers of the Barranquilla and Cartagena ports decided to stop all activities. The date and time when the strike will begin have not yet been determined. The decision to strike was made in Santa Marta a few days ago. The decision by Buenaventura port workers to join the strike is still pending. Here is Helman Hincapie reporting from Barranquilla:

[Begin recording] [Hincapie] On 19 January in Barranquilla, the workers of the Port of Colombia enterprise voted for a strike. At an assembly of more than 1,000 workers, the company employees voted to support their Santa Marta port colleagues, who last week had already voted in favor of the strike.

Representatives from Colombia's different ports will meet in Santa Fe de Bogota next week to decide upon zero hour, the time when all activities must cease.

Port employees have announced they will not back down from their decision, despite the government's announcement that it has decided to declare the strike illegal.

[Laureano Altahona, spokesman for the Confederation of Colombian Workers, CTC] The workers' unions—especially the CTC and the port workers' unions—are asking President Gaviria to meet with the union delegation. The public works minister and the labor minister should also be present at the meeting to look for a framework for a concerted agreement as opposed to an imposed situation like the situation this government has established.

[Hincapie] The workers asked public authorities not to interfere with their movement because they are fighting for their rights. [end recording]

Port Decision 'Irreversible'

PA2001214092 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 19 Jan 92

[Interview with Juan Felipe Gaviria, public works and transportation minister, with undentified reporter in Santa Fe de Bogota—live]

[Text] [Reporter] Mr. Gaviria, you know the situation. Is it serious? What is the government stance? What measures will be adopted?

[Gaviria] I do not think the situation is serious. Yes, there have been some minor disruptions in port operations, but we are going to take the steps necessary to ensure that ports function. We are not going to let the country's ports be closed, because it is our obligation to keep them open. We cannot allow the country's foreign trade to be disrupted, and we will take the steps necessary to prevent this from happening.

[Reporter] How do you feel about the unions' stance?

[Gaviria] I do not think the unions really understand that this process is irreversible. With the new economic model, the country needs efficient ports, and that is something that has not been achieved. The unions will have to understand that the government's decision serves the entire country. As with the railroad sector, with which we signed a collective agreement on 18 January to definitely conclude railroad operations, the same sort of agreement must be reached with the ports. These gentlemen must understand that this is the government stance, and it is irreversible.

[Reporter] Do the government plans include bringing troops into the ports.

[Gaviria] If it is necessary, we will, of course, do it. We are calm but firm. We are not planning to send in troops. If we find ourselves being forced, however, we will bring in troops.

[Reporter] You and I are from Antioquia Department, so every time we hear news about the subway, we are happy. There are many expectations regarding Spanish Prime Minister Felipe Gonzalez' visit. Will those expectations be met?

[Gaviria] Today's news is pretty encouraging. Along with all the residents of Antioquia Department, I am hopeful that the Medellin subway will be completed. We received

good news today, and that encourages us to believe that the project will move ahead.

[Reporter] Which has been a more difficult challenge for you, the Villavicencio Highway, which you handled well, or the situation with the ports?

[Gaviria] We adequately met the Villavicencio Highway challenge, and we will do the same here. We truly want to work for the benefit of the people. When one feels that way and is convinced that what one is doing is right, things work out.

CNGSB Welcomes New Government Peace Adviser

PA1801152892 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 17 Jan 92

[Text] Santa Fe de Bogota—A Simon Bolivar National Guerrilla Coordinating Board [CNGSB] communique officially welcomes the appointment of former [Government and Justice] Minister Horacio Serpa Uribe as the new presidential adviser for peace. His direct experience in the dialogue process and his political record create good expectations for future negotiations.

The CNGSB believes changing the presidential adviser for peace completes the government commission's agenda for the two first rounds of talks in Caracas. The CNGSB feels fresh viewpoints in the dialogue process will allow deep problems in the country to move toward resolution and will help to guide negotiations toward the agreements demanded by all Colombians.

* Government Outlines Five-Point Peace Strategy

92SM0205A Santa Fe de Bogota EL ESPECTADOR in Spanish 12 Dec 91 p 6A

[Text] Santa Fe de Bogota—Yesterday the Congress of the Republic was the scene of intense debates with President Gaviria's ministers, in both the Senate and the Chamber.

The interior and defense ministers, Humberto de la Calle and Rafael Pardo Rueda, respectively, reaffirmed the government's desire for peace, in connection with the dialogue being held with the Simon Bolivar Guerrilla Coordinating Board. They noted that its aim was "to seek a civilized political solution to the armed conflict, if and when the circumstances make this possible." They claimed that these talks have made significant progress, as indicated by the very fact that a preliminary agenda has been adopted.

"To reject the possibility of a negotiated solution now, or to refuse to construct that desire for peace pragmatically and without naivete, means dooming the country to the long, painful process of achieving a peace based on winners and losers. So as to be able to construct that decision, the government has shown sufficient flexibility and magnanimity to demonstrate to the guerrillas the general architecture of the process. It has attempted to make them see the willingness of the Colombian people and of the political forces represented in the Congress and the Constituent body to offer whatever guarantees are necessary to promote a a political design without arms." This statement was made by the interior minister in the Chamber, responding to a lengthy questionnaire on the status of the peace negotiations submitted by the Conservative congressman, Rafael Serrano Prada.

He added that, despite the opinions of many commentators, "We have nevertheless not succumbed to the naivete of making concessions that would be possible only when the guerrillas have actually decided in favor of peace."

He remarked: "It is a serious error for the guerrillas to think that, with a senseless attitude, they will exert any pressure on the government to change its policies. The government is not subject to the fluctuations of current events; because it has a clearcut policy, with procedures and objectives that will lead to peace."

The official stressed: "We shall not offer our arm to be twisted, because we represent the legitimate interests of the vast majority of Colombians, who see a clear sign of senselessness in a rash position. The abyss separating the civil society from those who are violent proves the existence of a new country. It has opened the political spaces to accommodate there the entire diversity of interests and the entire multiplicity of criteria intrinsic in a democratic, participatory society. The government cannot accept the continuation of kidnappings, attacks, or massacres of young policemen and soldiers, as if they were lower class citizens subject to the whims or brutality of murderers. We shall maintain the possibilities of a frank, open dialogue, because we believe in the benefits of a civilized solution to the conflict, so long as the circumstances of public order permit it. But they should not continue to mistake the magnanimity of our democracy for weakness in our institutions. The public force will continue to have a presence throughout the entire national territory, not only as a constitutional obligation, but also as a patriotic stance, responding to the voices of the millions of innocent people demanding peace, order, and justice."

Minister Humberto de la Calle Lombana declared: "The government's peace policy is not limited to the willingness for, or the viability of dialogue; nor do the possibilities of peace in Colombia depend solely on its achievements." At the same time, he emphasized: "The strategy for negotiation with the guerrillas is one of the components of the government's peace policy which, in turn, does not limit the scope of the overall strategy to the elimination of violence."

He explained: "In other words, the overall strategy for the elimination of violence is not confined to the peace policy, nor is the peace policy confined to the policy of negotiating with the guerrillas. And the latter, in turn, is not confined to the possibilities for dialogue."

He added that, for this reason, the government has set three major goals for itself: 1) to guarantee that the

monopoly on the use of force lies in the hands of the state's armed institutions, as the constitutional mandate orders; 2) to recover the capacity of the justice system, so as to punish crime and combat impunity; and, 3) to expand the state's presence in the entire national territory.

He noted that, to achieve these goals, five major policies have been devised; describing them as follows:

1) "To intensify the initiative of the authorities on the regional and local levels, through the governors and mayors; reinforcing inter-institutional coordination through the Departmental, Regional, Metropolitan, and Municipal Security Councils."

2) "To strengthen and modernize the Judicial Branch because, to the extent that we reduce impunity, we shall be restoring the citizens' confidence in the institutional mechanisms for resolving conflicts."

3) "A policy of peace with the guerrillas. After nearly a decade of efforts to achieve peace with the armed insurrectionists, the results of this year and a half of government have left the satisfaction of seeing the demobilization of four guerrilla organizations, which preferred democratic confrontation to violent confrontation. But they also have left the dissatisfaction of not having been able to progress to the full extent that the country would have liked with the Guerrilla Coordinating Board. In any event, it is still encouraging that there are now 3,500 demobilized guerrilla fighters, and several regions of the country in which a different atmosphere of public order is exuded. This unquestionably reaffirms the government's will to persevere, so long as the circumstances permit, in seeking a civilized solution to the armed conflict through dialogue."

4) "A policy for confronting the various agents of violence, crime, and terrorism. This strategy is aimed at strengthening the intelligence services, and coordinating these efforts with criminal proceedings, so as to contribute to the capture and trial of criminals."

5) "Protection and promotion of human rights. Since its beginnings, the government has been the leader of an effort to protect human rights, aimed at preventing and punishing violations that could be attributed to public servants, or that are or could be ascribed to the state itself. For this purpose, there has been a reinforcement of the procedures for internal control of the state institutions and those run by the Office of the Attorney General of the Nation. Educational programs on the subject of human rights have also been implemented as part of the public force's training exercises."

He reaffirmed the position opposing regional dialogues, remarking: "I must emphasize that the talks with the armed insurrectionists have been restricted exclusively to the national government, through the Interior Ministry and the Presidential Advisory Council for Peace."

* Constitutional Court, Tutela Procedure Assessed

92SM0201A Santa Fe de Bogota EL ESPECTADOR in Spanish 21 Dec 91 p 13A

[Roundtable discussion sponsored by EL ESPECTADOR; place and date not given: "On the Table: the Major Change in the Juridical System"]

[Text] The subject of the major change in the juridical system underwent its most severe analysis at a round table discussion which EL ESPECTADOR organized. Some of the positive features of the concept of "tutela" and of the Constitutional Court were questioned.

Following is the text of the discussion of this subject by Manuel Jose Cepeda, presidential counselor for constitutional affairs; and Hernando Yepes Arcila, Juan Carlos Esguerra, and Jesus Perez Gonzalez-Rubio, former members of the Constituent Assembly.

[Hector Hernandez M., EL ESPECTADOR] Did the people need to have a Constitutional Court?

Jesus Perez Gonzalez-Rubio. Former member of the Constituent Assembly and of the Liberal Party "Congresito": Yes. Determining the constitutionality of a law had to be concentrated in one place. The Supreme Court had handed down too many political and contradictory decisions, like those which declared the Constituent Assembly of 1977 and the reform of 1979 unconstitutional. Furthermore, it was needed because with new institutions like tutela, there was going to be a heavier burden of work.

Juan Carlos Esguerra Portocarrero, former member of the Constituent Assembly for the National Salvation Movement: The Supreme Court was moving too far away from political realities in this country. The establishment of the Constitutional Court also reflected the positive influence of examples seen in other countries. Contrary to what Doctor Perez says, the decisions by the Supreme Court in 1977 and 1981 were juridically correct.

Hernando Yepes Arcila, former member of the Constituent Assembly for the Social Conservative Party: The establishment of the Constitutional Court was an error and the result of a mistake. It was said that it was necessary to have a coherent form of review of the constitution and to abandon a more diffuse kind of control. However, it happens that with the new constitution the kind of control which was entrusted to the Constitutional Court is precisely identical with what the Supreme Court had. The reasons which led to its establishment were not technical, scientific, or juridical, but rather political.

Manuel Jose Cepeda, presidential counselor for constitutional affairs: The government proposed the establishment of a Constitutional Court for reasons different from those mentioned. The new constitution implied a change in the text of some of its provisions and the adoption of a whole new philosophy which had to be inculcated in the interpretation of the constitution.

There was a much greater probability that there would be contradictory decisions on the meaning of the constitution. There was a concern about the possible congestion which would occur in the Supreme Court over the new functions which it would have.

[Hernandez] Due to the political origins of the Constitutional Court, did the system of justice lose its independence?

[Yepes] The establishment of the Constitutional Court and the identification of its origins in a proceeding which includes the other branches of the government constitute the waste of a great, institutional achievement. This achievement consisted of the establishment of the Judicial Branch of the government as an autonomous body through the selection of its members by its other members and lifetime terms for the members of the higher judicial institutions. By taking away from the independent authority of the Judicial Branch control over questions of constitutionality, by establishing a body reflecting the politics of a given moment, a guarantee has been lost that constitutional control will be exercised, using strictly judicial criteria.

[Cepeda] The constitution contains many guarantees that the Constitutional Court will operate independently. The first guarantee relates to its origins: its members are chosen from lists prepared by the president of the republic, the Supreme Court, and the Council of State. The second guarantee is that the terms of members of the Constitutional Court will be staggered over a period of time. They will not be replaced all at once. The third guarantee is that the members of the Court will serve for eight years, which is twice as long as the terms of the president and members of the Senate. The fourth guarantee is the quality of the members of the Constitutional Court and their sense of responsibility.

[Hernandez] But remember, Doctor Cepeda, that in this country favors are paid for.

[Cepeda] In this case the members of the Constitutional Court are elected by the Senate, whose members are chosen in national elections. This makes it possible for minorities to be represented. Due to the relationship between political forces there would be a tendency to seek a balance, which would provide guarantees, not so much to the political parties as to the whole nation.

[Perez Gonzalez-Rubio] The constitution does not designate the Constitutional Court as one of the organs of state power, as happens in other countries. In this country there are several centers with the power to nominate members of the Constitutional Court. The Constitutional Court is going to be elected by the Senate, a body whose members come from many backgrounds. Although it is a political body, it has judicial functions in some cases under the old as well as the new constitution.

[Esguerra] I do not agree with the way in which the Constitutional Court is made up. I have been a supporter of the concept of cooptation. The other formulas could involve making commitments to obtain appointment. The system which was finally adopted was the least bad alternative, but it continues to appear complicated to me. I can see those aspiring to be members of the Constitutional Court parading through the Senate to ask the members of that body to vote for them because they are on one of the lists prepared by the Council of State or by the Supreme Court or by the president.

[Hernandez] Will the procedure for tutela which has been adopted be workable?

[Perez Gonzalez-Rubio] Tutela can be exercised by people who do not know how to read or write and even by minors. And its regulations were adopted in an informal way. Simple common sense makes any person realize that in order to ask for something of this kind you have to point to an incident which violates a right. The judge will be able to exercise tutela, if and when his judgment is based on an element of evidence, from which he may conclude that the law is being violated or that there is a threat of violation. Although tutela does not function regarding personal liberty or economic, social, and collective rights, all of these rights are fundamental.

[Esguerra] Tutela, as originally conceived, has many merits. It is the most Colombian of institutions. How were we going to try to include it in our juridical institutions and say that what we were going to establish was not the kind of mechanism for the protection of rights, which is known as the right of amparo, but rather a mechanism for the protection of individual rights. Then it was necessary to say it in this way and give this kind of right a different name.

[Yepes] Calling tutela what the rest of the Hispano-American juridical world knows under the term of amparo, apart from being a simple change of name, subjects us to the risk that we will confuse the specific purpose of that institution with the general purpose of protection of rights, which relates to all court activity. The decree issued to regulate the process of tutela has many merits and notorious defects. Among the merits is that of having provided for a summary procedure which guarantees informality. The greatest objection which could be made against it does not relate so much to the decree as to Article 86 of the constitution, insofar as it brought into the tutela procedure a strange and pernicious element. This involves the intervention of the Constitutional Court through an appeal for a review which is in conflict with the immediacy of the right of amparo.

[Hernandez] What was setting up the institution of tutela supposed to do?

[Yepes] The origin of that institution is quite strange. It is an absolutely unjustified addition which some people found in foreign juridical sources when the draft constitution was being prepared. With the involvement of the Constitutional Court, through the process of review,

technical instruments have been mixed with it which derive from concepts of the right of amparo which differ with each other.

The right of amparo can be considered as a proceeding which may be raised before any judge or, alternatively, as the Spanish see it, as a form of protection requested from the court which rules on constitutionality. Therefore, in Spain the court which rules on a writ of amparo is the constitutional court. Here in Colombia we are mixing the two things without knowing why or for what purpose. It has been said that the substance of a judgment of amparo is not conditional because when a proceeding is begun before the Constitutional Court, the decisions made in the courts of first and second instance may already have been applied, and what is sought is making constitutional jurisprudence more coherent. This is a very questionable objective. There is no reason to make constitutional jurisprudence more coherent in a country which, in principle, has a diffuse system of control. That is, a country in which each judge, acting on his own, is a defender of the constitution. Furthermore jurisprudence in Colombia has never been a source of law. On the basis of the Constitution of 1991 the possibility that tutela will come to be a source of law is absolutely excluded because of one of its articles, which states that "judges in their respective jurisdictions are only subject to the rule of law."

When the constitution mentions the law, it includes itself, because this is a directly applicable, juridical standard. In another part of the constitution jurisprudence is limited to its natural condition of being a humble "auxiliary criterion of judicial activity." So why do we need coherent, constitutional jurisprudence if each judge is linked to the constitution, not through the Constitutional Court, as happens in countries which have such an institution incorporated in a coherent context, but directly through its own interpretation?

[Cepeda] In every juridical structure it is essential for its jurisprudence to be coherent. In Colombia this point has been recognized for a long time through the process of annulling a court decision. The object sought is an interpretation of the law which offers security and certainty to all citizens. The highest authority in Colombia to provide an interpretation on a matter of rights is the Constitutional Court. If you will, it has a function similar to that which the Supreme Court has performed in terms of the objectives of coherent jurisprudence.

Another reason to justify review by the Constitutional Court is that the system of constitutional review, of which we are so proud, has had a rather mixed history. We do not have either the diffuse system of control of the United States or the concentrated system of the Austrian model. The Constituent Assembly approved a system through which each judge is a guardian of our rights. However, at the same time there is a way of directing the interpretation of the constitution. If an interpretation of rights is not in accordance with the meaning of the constitution, the Constitutional Court should determine the right path to follow.

[Jesus Perez Gonzalez-Rubio] We cannot have several constitutions. That is, one interpreted by one judge, another by the Supreme Court, another by the Council of State, and still another by the Constitutional Court. Juridical security demands that there should only be one constitution. It is the duty of all judges to give preference to the constitution over the laws. When the Supreme Court, in a recent case, invoked this principle, it was absolutely right. However, once the Constitutional Court hands down a decision on how far a standard extends and whether it is in conformity with the constitution, it is not proper for any judge, including those on the Supreme Court and on the Council of State, to move deliberately away from that interpretation.

[Esguerra] If tutela is looked at from the point of view of an instrument for the immediate protection of the fundamental, constitutional rights of a person in a specific case, any review which the Constitutional Court could make is unnecessary. However, in addition to being a mechanism of immediate protection, tutela is an expression of constitutional supremacy. It is essential to have a body charged with ensuring a single interpretation of the constitution. See how it is provided in the very text of the constitution that decisions on matters of tutela will be the object of eventual review.

[Hernandez] In providing for compensation is not the decree which regulated tutela doing away with the courts which handle claims?

[Cepeda] Under the concept of tutela, compensation for damages is provided for only in exceptional situations. Article 25 of the decree regulating tutela states that compensation for damages can only be ordered "when the person involved has no other judicial remedy." Compensation cannot be requested, but the judge concerned has the power to order it.

[Perez Gonzalez-Rubio] I did not support awarding compensation for damages, not even on an ex officio basis. I only agreed to support it after the article which provided for it was sharply reduced in scope, providing that "damages will be provided when the person involved has no other judicial remedy." I think that compensation for damages will never be awarded.

[Esguerra] In terms of damages I disagree with all those schemes which seek to find parallels between tutela and the traditional mechanisms in our judicial system for the protection of rights. Tutela is different. It involves no declaration of rights, punishments, or any profound judgment.

[Hernandez] Does the use of tutela against court sentences unbalance the juridical system?

[Esguerra] I did not agree with the use of tutela against court sentences. However, the Legislative Committee

provided for such a use in its interpretation of the final text of Article 86 of the constitution. The question has been asked as to who will review the possible unconstitutionality of actions by judges. That sounds good in theory, but is not so in practice. Whenever a person is provided with the possibility of using a mechanism which in some way could change the result of a judicial decision in which he was the losing party, he is going to use it in any case. I am appalled that tutela is being deprived of its substance.

[Perez Gonzalez-Rubio] Article 86 of the constitution provides that when a person is harmed or threatened by the acts or omissions of any public authority, the victim can exercise the function of tutela. This brings up the following question: whether the members of the Supreme Court, the Council of State, and other judges are public authorities or not. And they certainly are. When the Supreme Court hands down a judgment on the case which it has just considered, it does so by invoking the constitution, and that is only proper. However, once the Constitutional Court has said that Article 40 of Decree 2591 of 1991 is constitutional, which permits the use of tutela against court judgments, that ruling is improper.

[Yepes] There are two aspects regarding tutela on court judgments: suitability and constitutionality. Regarding suitability, this pulls the judicial system apart. If the verdicts are submitted to a court which seeks the same objective as other government institutions, this condemns judicial activity to total disorder. Regarding constitutionality, the decree setting out the regulations for tutela mistakenly interprets the constitution and makes tutela impossible to execute.

I tried to avoid the confusion on which tutela is based when used against court judgments by proposing an alternative text for Article 86, which said that tutela is granted for the immediate protection of fundamental rights, "whenever these rights are hampered by acts or omissions of any administrative authority." I did not use the term "public authority," as stated in the article as approved. As adopted, this text can be erroneously interpreted in the sense that it concedes tutela, not only against administrative acts but also against judicial and legislative acts. However, looking at the context of the constitution as a whole, I am forced to conclude that court judgments are not subject to tutela. The judge is only subject to the law. He cannot be subjected to orders.

[Cepeda] A trial in the Civil Chamber of the Supreme Court is perfectly legitimate. The arguments presented there are highly respectable and deserve careful study. Nevertheless, it must be emphasized that the Civil Chamber has accepted the principle that tutela is applicable to ordinary court judgments but not to decisions by the Council of State and by the Supreme Court itself. Nevertheless, the Constitutional Court has the last word.

Regarding tutela against court judgments, there are the aspects of constitutionality and suitability. Regarding constitutionality, tutela may be applied to court sentences, because Article 86 of the constitution states specifically that it may be used against any public authority, including judicial authority. Regarding suitability, the decree sets out enough safeguards to avoid abuses. It states that when tutela is to be interposed, this is done simultaneously with an ordinary appeal. There is no other institution to refer to. In handling it no arguments can be made about the evidence. It is a constitutional judgment.

* Economic Statistics for Jan-Sep 1991 Disputed

* DANE Figures

92SM0207A Santa Fe de Bogota EL ESPECTADOR in Spanish 11 Dec 91 p 14A

[Text] The National Administrative Department of Statistics (DANE) has revealed that retail sales fell 0.13 percent between January and September of this year.

The sectors that were hit hardest include the following: pharmacies, with a decline of 15.59 percent; crockery shops, down 7.29 percent; and vehicles and parts, off 4.22 percent.

There were some areas, however, that reported some recovery, including clothing, food, and fuel, which increased sales by 4.66, 0.04, and 0.01 percent, respectively.

In September, sales were 1.25 percent lower than they had been during the same month last year.

In the past 12 months, sales have fallen 0.27 percent below the figures for the October 1989-September 1990 period.

Construction

On the other hand, the DANE revealed that between January and October of this year, a total of 7.8 million square meters was approved for construction, which is 1.5 million square meters higher than that approved for the same period of 1990, representing a 25.70-percent increase.

These figures correspond to the data compiled by the DANE on the basis of building permits issued in seven metropolitan areas and 14 cities in the country: Santa Fe de Bogota, Cali, Medellin, Ibague, Manizales, Neiva, Armenia, Barranquila Pereira, and Bucaramanga.

During the 12 months between November 1990 and October 1991, building permits were issued for 15.67 percent more square meters for all kinds of construction, which shows that this bellwether sector is undergoing a recovery.

The index of heavy construction costs rose 0.34 percent in October. The cumulative figure for the first 10 months of the year was 19.59 percent higher, and the annualized rate of growth was 20.67 percent.

Housing construction costs jumped 21 percent between January and October.

* Government Estimates

92SM0207B Santa Fe de Bogota EL ESPECTADOR in Spanish 14 Dec 91 p 10A

[Text] Guerrilla assaults on the power grids and oil pipelines, the cutting off of bank credit, and the war on inflation have led to stagnation and even regression in the generation of wealth in the country.

The growth of the Colombian economy as a whole was a mere 2.2 percent in 1991, compared to 4.03 percent last year.

The government blames this sharp downturn on the havoc wreaked by the armed guerrilla groups, which have caused an estimated 130 billion pesos' worth of damage. This figure is equivalent to 0.6 percent of the gross domestic product (GDP).

Another reason was the decline in various productive activities and businesses as a result of the severe restrictions on money circulation imposed by monetary authorities to curb the rising cost of living, which exceeded 33 percent.

If the aforementioned problems had not arisen, the economy would have grown by 3.3 percent rather than the actual 2.2 percent.

These figures were revealed yesterday by the head of the National Planning Department, Armando Montenegro, who commented that the GDP had been projected to grow at about 2.5 percent because of the difficulties with inflation and the damage to the transportation, electricity, and petroleum infrastructures.

"That 2.2 percent is not a great result, but the anti-inflation policy is yielding positive results, and that takes a major toll on economic growth," he explained.

Farm Sector Stands Out

The best performance was seen in the agriculture sector, excluding coffee, which saw a growth of 4.62 percent. This percentage is lower than the 1990 figure, however, which was 5.89 percent.

Coffee production rose 13.6 percent. Coffee bean processing has declined by 12.5 percent, however, in view of the fact that exports fell from 14 million sacks in 1990 to 12 million in 1991.

In general terms, the farm sector has proven to be more dynamic than other sectors of the economy, a trend which has held up over the last 15 years.

This upsurge was due to the higher production of export crops, such as fruit, flowers, bananas, and sugar.

But biannual crops, which more quickly reflect the results of policies, fell by 2.97 percent, according to Agriculture Ministry reports.

Commerce

The business sector did not do well at all. It grew by only 1.8 percent, compared to 3.17 percent the previous year.

Sales were very sluggish all year long. Planning projections indicate that 1992 will be a very good year for the business sector, as there is beginning to be a decline in inventories and a resurgence of demand.

In addition, the opening up of the economy will enable businessmen to offer a greater variety of goods at more reasonable prices.

Industry, not including coffee processing, grew by just 0.6 percent, which is a particularly discouraging figure when compared with the 3.18-percent growth rate reported in 1990.

The balance sheets of the major companies show a decline in profits, partially due to the rise in financial costs, that is, the exaggerated interest rates being charged on the national financial market.

Construction was up 2 percent. This is a major accomplishment, considering that in 1990 this sector declined by 11 percent.

In fact, it is the resurgence on this front of the economy that has enabled the country to keep unemployment steady at 10 percent.

Government construction of public works projects amounted to zero.

The production of electricity, gas, and water rose by 3.5 percent. In 1990, that sector showed a growth rate of 5.86 percent.

The financial sector reported an increase of 8.5 percent this year.

Despite the monetary controls and the credit crunch, banks, finance corporations, commercial financing companies, and other establishments in this sector managed to earn profits of nearly 200 billion pesos in the first nine months of this year.

To spur the reactivation of the economy and help customers avoid defaulting on their loans, bankers are willing to cut interest rates by at least four points in the next few months.

Meanwhile, gas production was up 12 percent; gold, 16.6 percent.

The mining sector's growth rate fell from 3.25 percent in 1990 to 1.62 percent in 1991.

Better Days

According to the chief of planning, better days lie ahead for the national economy.

Economic growth in 1992 is projected at 3 to 4 percent; in 1993 and 1994, it is expected to reach 5 percent.

Colombia's gross domestic product, that is, the generation of wealth by all sectors of the economy, is currently 26.9 trillion pesos.

The GDP is rising at a rate of 2.2 percent, which outpaces the population growth rate of 1.8 percent.

* Differences Enumerated

92SM0207C Santa Fe de Bogota EL ESPECTADOR in Spanish 22 Dec 91 p 2B

[Analysis by Eduardo Sarmiento Palacio: "The Real Balance Sheet"]

[Text] In sporting events, it is customary to look for excuses to justify the result, whatever it may be. Apparently the same thing is happening on the economic front. The official spokesmen are sparing no effort to turn the failure to reach the goal of 22-percent inflation into a moral triumph. Even more curious is the attitude toward the national accounts. After the DANE had been releasing negative economic indicators all year long, Planning suddenly took public opinion by surprise with a 2.2-percent GDP growth rate.

Revised Growth

There is no need to go into the methodological complexities of the national accounts to discredit the government's growth estimate. It is enough to compare the figure with official statistics and subject it to the most elementary consistency tests.

The government pegs the decline in industrial production at 1.15 percent. In contrast, the industrial survey conducted by the DANE reveals a fall of 3.5 percent in the first eight months, compared to the same period of 1990. No matter how much the sector managed to revive at the end of the year, the rate of decline would have to be at least 2.5 percent. The same is true of mining: While Planning shows a growth rate of 1.6 percent, the DANE publication indicates a drop of 6 percent in the first eight months.

In the case of agriculture, the DANE cannot even exert any moderating influence, because the data for this sector are handled by the Agriculture Ministry. The 4.61-percent growth rate claimed by Planning is completely out of proportion. There is widespread agreement that there was a 5-percent decline in seasonal crops. On the other hand, the slaughtering of cattle, traditionally the most important indicator in the livestock industry, fell by 3 percent, according to the DANE. In view of these indicators, which account for more than half the sector, the government's estimate does not hold water. For this figure to be correct, production in the other areas, for which there is no equally reliable information, would have to have grown by more than 12 percent. If we also take into account the fact that tractor imports plummeted 50 percent, the government's agriculture figures can be nothing more than a work of fiction.

The 1.8-percent growth in commerce is one of the most surprising results. While the increase observed in a few industrial and agricultural activities is explained primarily by exports, imports dropped significantly. Where, then, did the remaining goods for domestic sales come from? There simply are no remaining goods. This assertion is corroborated by the DANE, which shows a 0.2-percent decline in commercial sales.

The objections to the government's estimates do not arise out of differences of opinion among the primary sources in public and private institutions. They stem from the official figures themselves. As can be seen in the chart, the DANE data on industry, commerce, and mining are quite different from the data used to calculate the GDP. Moreover, the growth in the farm sector bears no relation to the widely accepted statistics that show a decline in both biannual crops and the slaughter of cattle. If these figures compiled by recognized sources were incorporated into Planning's calculations, GDP growth would be under 1 percent.

In general, it is felt that compiling statistics should not be left up to the institutions in charge of setting policy. In keeping with this healthy principle, the law authorizes the DANE to compile and release the figures on the national accounts. The unilateral presentation of figures by Planning still constitutes interference with statistical autonomy. It is not easy for a director of the DANE to come out and contradict the information provided at the highest level. In fact, that official is under pressure to confirm the desires of policy makers.

Poor Performance

The balance sheet reveals one of the poorest performances in the last 40 years. Inflation declined, but it is continuing the high trend of the last three years. By the end of 1991, it will have reached nearly 27 percent, which is just two points below the level inherited by the current administration in August. Economic growth is at one of the lowest levels in the country's history, surpassing only the 0.9 percent reported in 1982. The most serious aspect of this development is that it severely limits the future. The greatest decline is seen in industrial activities with some technological content, modern agriculture, and investment.

None of this is new. Many of the results were predicted at the time. In February, we maintained that the 22-percent target was completely unrealistic, and we suggested that it be replaced with a 27-percent target so that the recessive effects and the loss of credibility that usually accompany unrealistic policies could be avoided. On several occasions we warned that the liberalization of trade and the exchange rate, along with the severe credit

crunch, would hasten the deterioration of the productive sectors and the proliferation of speculative and illegal activities.

Ecuador

Foreign Minister Reacts to Peruvian Proposal

PA1801224292 Quito Voz de los Andes in Spanish 2300 GMT 17 Jan 92

[Statement by Foreign Minister Diego Cordovez to local reporters; date and place not given—recorded]

[Text] We believe the Peruvian Government's proposal should be analyzed thoroughly. We believe the Ecuadoran public should know all the steps being taken. The Ecuadoran people should also know the national government's and Peru's position in the dialogue that basically began during President Fujimori's visit to Quito.

Therefore, at the end of this meeting, we are going to give you the full text of the Peruvian propsal, which is approximately 100 pages long. As I said before, it must be analyzed very seriously, calmly, and with a great sense of responsibility toward the people.

I have begun to hold consultation meetings with Ecuadoran political leaders. It seems to us that this should also be part of the current government's policy, as we are entering an electoral period. It is important that political leaders have the opportunity to report to the government on their position concerning the dialogue process. On 17 January, I had the opportunity to have a lengthy meeting with former President Oswaldo Hurtado. These consultations with former presidents and political leaders will continue during the week of 19 January. At this time, I will also have the opportunity to report to the National Congress on President Fujimori's visit, on the Peruvian proposal, and on the manner in which we are conducting the study of the documents presented by President Fujimori.

The documents you are going to receive also contain a letter I sent to the chairman and members of the Foreign Relations Consultative Board with the text of the Peruvian proposal. We have asked the chairman to call a meeting of the Consultative Board during the week of 19 January, at which time I will have the opportunity to give the Consultative Board more details on the contents of the talks between the Ecuadoran and Peruvian presidents. We hope the Consultative Board will begin a thorough analysis of these documents.

I cannot anticipate the manner in which the Consultative Board will do this analysis. I do not know if they will establish a special commission—as has been done in similar situations in the past; if they are going to do this in a plenary meeting; or if they are going to ask some members to do a preliminary study and then study it in the plenary meeting of the consultative board.

Fujimori, Bolivia's Paz Zamora To Meet 24 Jan

PA2101224992 Lima Panamericana Television Network in Spanish 1200 GMT 21 Jan 92

[Telephone interview with correspondent Alberto Portugal Velez from Ilo in the Jose Carlos Mariategui region by unidentified reporter in Lima —live]

[Excerpt] [Reporter] A historic meeting between President Alberto Fujimori and Bolivian President Jaime Paz Zamora will take place 24 January. Bolivia will be given facilities for an outlet to the sea and a free zone at the Ilo Port. That decision has prompted contrasting reactions. Let us see why everything is not rosy. On the telephone is Alberto Portugal Velez, our correspondent in Ilo, Jose Carlos Mariategui region. Good morning.

[Portugal] Good morning. I am calling from Ilo to talk about the important presidential meeting between Fujimori and Paz Zamora, which is scheduled for 24 January, as you stated.

[Reporter] What does granting Bolivia an outlet to the sea through Ilo mean for the region? President Fujimori said a resort would be created for Bolivians, where they could build their homes and invest while they do their business in the free zone. This is a boon for Ilo.

[Portugal] For Ilo Port and its authorities, the possibility of utilizing this port is important, as it has not been used to full capacity for many years. As you know, all Bolivian cargo is transported through Arica and, more recently, Iquique, Chile, because the tariffs are much lower than those charged by Peruvian ports. A new possibility has been created. Peru may grant Bolivia land in the Ilo industrial free zone. This way, the free zone's potential is being used. Bolivians would invest capital in Ilo Port. I think important aspects will be discussed at this presidential meeting.

As you stated, we have here a resort project in the south. This project will allow Bolivians to invest in tourist projects to build hotels and recreation areas. In turn, the highway that begins in Ilo and runs through Moquegua, Cuascone, Santa Rosa, Mazo Cruz, and Desaguadero may link with La Paz, Bolivia. The presidents will also discuss this.

[Reporter] As President Fujimori said, this zone is destined to turn into one of the major points of contact with the Pacific Basin. This will permit major Brazilian investment. The area's growth will be worth mentioning. Do problems exist with Arequipa?

[Portugal] Our Mollendo brothers feel some jealousy....

[Reporter, interrupting] And so do the people from Matarani.

[Portugal] Like the Chileans, they want to have a free zone as soon as possible and have this corridor through Ilo. Brazilians from Acre and Rondonia have seen it advisable to use this road. For that reason, the Jose

Carlos Mariategui region authorities are promoting a highway linking Ilo Port and Madre de Dios, and Acre and Rondonia, which are Brazil's richest areas and require an outlet to the sea. Brazilians, however, have said they want outlets in Matarani and Ilo Port.

I think Mollendo residents and Chileans must seek their own integration into the Mariategui and Arequipa regions. The coastal road has not been finished; work is under way. There is also a project to build a railroad line linking Mollendo and Ilo.

[Reporter] True, there is some jealousy, but the historic meeting will take place on 24 January. A civic work stoppage has been declared in Matarani and Mollendo to protest the fact that the Matarani area was not considered. What do the people of Ilo think about this?

[Portugal] The town knows this is an important date. We must point out that the town's mood is festive over the presidents' arrival. This is Fujimori's first visit. This will also be the first time a Bolivian president arrives. For that reason, 24 January has been declared a very special day. Residents know this and have begun preparations to welcome our Bolivian brothers. About 540 Bolivians will arrive on Thursday, 23 January, in 18 buses. The local hotels are just about all booked. The authorities have deemed it advisable to equip educational centers and military installations to house the Bolivians who will arrive Thursday afternoon. Residents are painting their buildings, cleaning the city, and are organizing a very cordial welcome for our Bolivian brothers. [passage omitted]

Libyan Minister on Oil Production Decrease

PA1601171692 Quito Voz de los Andes in Spanish 2300 GMT 15 Jan 92

[Text] Quito—Rafael Almeida, Ecuador's minister of energy and mines, on 15 January held a private two-hour meeting with his Libyan counterpart 'Abdallah Salim al-Badri, who arrived in Quito on 14 January on an official visit, a government spokesman stated. They analyzed the situation of the international petroleum market and OPEC activities, the source explained.

The official source added that both governments will undertake efforts to balance the current supply and demand of Ecuadoran crude oil. This will permit prices to be set close to $21 per barrel, the goal established by the oil cartel.

The Libyan petroleum minister visited Venezuela, where he announced a reduction of his country's crude oil production of 20,000 to 30,000 barrels per day [BPD] to confront the current oversupply and limited demand for oil.

Venezuela has announced it will cut its production by 50,000 BPD, while Almeida, on behalf of the Ecuadoran Government, called on OPEC members to reduce production to alleviate the crisis. On 14 January, local crude oil was sold at the average price of $13.61 per barrel, compared to $13.68 on 13 January and $14.33 one month ago. The government's goal is to achieve a sales price of $17 per barrel.

OPEC members are scheduled to meet on 12 February to analyze the oil market situation. The OPEC member countries said this meeting could be held in late January to adopt urgent measures to halt dropping petroleum prices.

* Guayaquil Municipal Workers Scandal Examined

92SM0208A Quito HOY in Spanish 17 Dec 91 p 4A

[Commentary by Juan Pablo Moncagatta]

[Text] There is no particular dedication to public employment among Guayaquil residents. On the contrary, their tendency is aimed rather at independent work; and this holds true of both Guayaquil natives and those who have taken up residence there, numbering in the hundreds of thousands.

Then why the phenomenon of the "pipones" [persons on the payroll not actually performing any job]?

The vast low income sectors of Guayaquil, an inexhaustible source of electoral votes, are governed politically by a patronage system, organized and directed by district leaders who lend backing to the authorities and, at the same time, need them to retain their leadership.

The district leader recruits supporters, offering them ownership of a plot of land, the backfilling of a street, or a water supply. The inhabitants trust him for awhile; then, he must prove that he has the capacity to keep his promises. His dependence on the public authorities is vital because, if he lacks access to them, the confidence is replaced by disillusionment, and his supporters abandon him.

The parties, in turn, need these district leaders, who serve as liaison with the voters and activists. Organizations such as the PRE [Ecuadoran Roldosist Party], the PSC [Social Christian Party], and, previously, the CFP [Concentration of Popular Forces] base their strength on this mechanism, which has brought good results, as shown by experience. However, if it is to work, the rules, that is, the mutual obligations, must be upheld: Those patronized contribute their votes so that the party figures may gain public office; subsequently, the latter repay this with favors, which are almost always limited to fulfilling basic necessities.

Among these is employment. Since we are undergoing a crisis so serious that it is causing large numbers of unemployed, it is only natural that this situation should be of alarming proportions in Ecuador's most heavily populated city. To many of Guayaquil's unemployed there is no alternative left other than the small public job, obtained through connections with a political godfather.

Thus, the district leader is obliged to procure jobs for some of his supporters. At times, it is he himself who requires this, so as to be able to continue his activism full time, covered by a salary.

In private enterprise, such requests are not heeded; the applicants are almost always people without training. If you ask them what they can do, they will answer "anything"; but in practice they prove the contrary.

So, all that is left is a public job, which is granted without much thought or many requirements. And among the institutions most within reach is the municipality, a good distributor of jobs. It must be realized that, in Guayaquil, there are not so many public entities, nor are they large enough to meet so many demands. Its political leaders, when they reach city hall, are generally in opposition to the central government. This prevents them from using their influence to place their supporters in the luxuriant branches of the national bureaucracy.

Hence, the municipality is the last refuge.

Viewing the situation thusly, is it so strange that there should be an excess of 2,000 municipal employees in a city of 2 million inhabitants?

Mayor Harry Soria's decision to send to his house so many "pipones," who receive pay without working, and are sometimes shameless rogues, but who are not an evil typical of the Guayaquil idiosyncracy, but rather the product of the society in a state of crisis, is praiseworthy.

I maintain that the phenomenon is a national disease, but one that is more obvious in Guayaquil because of its degree of concentration. If there were an overall study, we would find that there are tens of thousands of "pipones" throughout the country, but they go unnoticed.

Guayaquil is rebelling against this evil. Let us do as much as possible to help it.

Paraguay

Rodriguez Returns From Trip to Uruguay

PY2101012892 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1520 GMT 20 Jan 92

[Text] President Rodriguez returned this morning from Punta del Este. During his stay in Uruguay, the president met with his Uruguayan counterpart, Luis Alberto Lacalle Herrera, in what where described as successful negotiations.

President Rodriguez returned to the country in the company of his daughter, Mirtha Rodriguez de Saba. He was welcomed at the airport by cabinet members and high-ranking Paraguayan officials.

[Begin recording] [Rodriguez] We held successful negotiations with Uruguayan President Lacalle on several issues of interest for our two countries. I believe we will be able to implement and perfect a long-standing cabotage agreement that had been forgotten. This agreement was signed in 1918 and ratified in 1925, but it was never implemented. Therefore, we will work together to perfect this agreement so that ships from our two countries can have the same privileges and treatment in our respective jurisdictional waters. This is very important.

We also discussed issues pertaining to Mercosur [Common Market of the South] and the waterway project. I sincerely believe that I and the cabinet members who accompanied me—each in his respective area—held very successful negotiations.

[First unidentified reporter] When will the lifting of custom tariffs be implemented?

[Rodriguez] Well, we are proposing a 25-percent lifting of customs tariffs within the framework of the Mercosur agreement. We cannot do this at the bilateral level. We will have to wait. But we have discussed ways to increase bilateral trade even further. The lifting of all custom tariffs only will be achieved when the four Mercosur member-countries agree to implement this measure. We already have agreed on a date: 31 December 1994.

[Second unidentified reporter] What progress has been achieved regarding the waterway project?

[Rodriguez] Regarding this issue, we have been granted a free port in Nueva Palmira where CAPECO [Paraguayan Chamber of Exporters of Oilseeds and Cereals] is currently building silos for those Paraguayan products that will be transported through the Parana and Paraguay Rivers. [end recording]

UK Minister of Foreign Affairs on Official Visit

PY2001125892 Asuncion ABC COLOR in Spanish 20 Jan 92 p 8

[Excerpt] UK Minister of State for Foreign Affairs Tristan Garel-Jones—his post is similar to that of the Paraguayan Foreign Ministry under secretary—and his wife Catalina Garrigues arrived in Paraguay the afternoon of 19 January on an official visit that will conclude on 21 January. Garel-Jones will meet today with Paraguayan Foreign Minister Alexis Frutos Vaesken, and with Industry and Commerce Minister Ubaldo Scavone. He is scheduled to meet tomorrow with President General Andres Rodriguez.

During his first remarks to the local press, Garel-Jones commented on his government's interest in the democratization process underway in Paraguay, and on the cooperation programs designed to support it.

Garel-Jones, who is in charge of Latin American affairs [in the Foreign Office], said: "Paraguay is a very important economic client for Great Britain, and we want to purchase more products." He added: "We want to improve the trade balance which currently favors Great Britain; British exports to Paraguay total $50 million per

year, while Paraguayan exports amount to approximately $15 million." [passage omitted]

Budget Allocates Funds for Foreign Debt

PY2201005492 Asuncion ULTIMA HORA in Spanish 21 Jan 92 p 12

[All figures as published]

[Text] The government is planning to disburse nearly 16 billion guaranies per month to service the portion of the foreign debt (interest and principal) that will fall due this year.

In order to make the payments, the Finance Ministry has begun purchasing dollars from the Paraguayan Central Bank (BCP).

BCP sources reported that there are payments to be made each month because loans from international financial organizations were contracted at different periods. The average monthly payment amounts to 15.9494 billion guaranies, and total disbursement on foreign debt accounts this year amounts to 240 million guaranies. The central administration will pay 191.3957 billion guaranies and the rest will be paid by autonomous enterprises (ANDE [National Electric Power Administration], Antelco [National Telecommunications Administration], Corposana [Water and Sanitation Corporation], etc.) that are capable of paying their debts regularly.

The national budget includes 71.4089 billion guaranies for the payment of debts to multilateral organizations, 32.4639 billion guaranies for interest payments, and 38.945 billion for payments on the principal.

The budget also includes 79.1866 billion guaranies for Paris Club governments (75.2363 billion for interest and 3.9503 billion for payments on the principal), 40.3028 billion guaranies for commercial private banks (11.4615 billion for interest and 28.8413 billion for payments on the principal), and 497.2 million guaranies for commissions. All these amounts were calculated based on an exchange rate of 1,430 guaranies to the dollar.

All together, the government has appropriated 119.6579 billion guaranies for interest payments and 71.7367 billion for payments on the principal.

Despite the resumption of service payments on the debt, Paraguay still has not officially negotiated the delinquent debt that reached $500 million last December. Of this total, $300 million is owed to Paris Club governments and $200 million to private commercial banks.

The total public foreign debt at the end of 1991 was 1.7167 billion guaranies, including unpaid interest, which represents an increase of 1 percent compared with December.

The debts with multilateral organizations have been properly served (BID [Inter-American Development Bank], BIRF [World Bank], Fonplata [River Plate Basin Development Fund], etc.), the sources reported.

Venezuela

Government Willing To Supply Oil to CIS

PA2201030492 Madrid EFE in Spanish 1748 GMT 20 Jan 92

[Text] Caracas, 20 Jan (EFE)—The Venezuelan Foreign Ministry announced on 20 January that Venezuela is willing to supply oil to the Commonwealth of Independent States [CIS], to ease the energy crisis affecting the former USSR territories.

On 21 January, Venezuelan Foreign Minister Armando Duran will attend a meeting called in Washington by U.S. Secretary of State James Baker to examine the extinct Soviet Union's economic crisis.

At the meeting Duran will co-chair the meeting on energy with his Dutch counterpart Hans van den Broek. The meeting is scheduled to end on 23 January.

Venezuela will discuss its willingness to send a mission of technicians from the state-owned Venezuelan Petroleum, Inc. (PDVSA) to Russia and the possibility of forming companies as "joint ventures" and delivering oil to the CIS countries.

The Venezuelan foreign minister traveled to Washington accompanied by Felix Rossi, Foreign Ministry adviser on oil-related issues; Deputy Oil Minister Rafael Guevara; and PDVSA board member Mario Rodriguez.

Venezuela has oil complexes in the United States, Germany, Sweden, and the Caribbean, and the possibility has not been dismissed that it may establish agreements with the CIS countries, although the PDVSA refineries in Germany (VEBA OEL) have their entire production on the market, according to industry sources.

Oil relations between Venezuela and the extinct USSR go way back, because they had an agreement whereby PDVSA delivered 50,000 barrels of oil daily to Cuba in exchange for the delivery of the same volume of Soviet oil to PDVSA's installations in Germany.

The purpose of the conference on the CIS is to satisfy those countries' immediate humanitarian needs and to improve their economic situation over the short-term and medium-term.

* Early Presidential Polls Show Caldera Leading

92SM0210B Caracas EL DIARIO DE CARACAS in Spanish 27 Dec 91 p 24

[Article by Wilfur Pulgarin]

[Text] Like Fujimori in Peru, Caldera in Venezuela is the favorite in the 1991 opinion polls, to such a point that he has displaced Eduardo Fernandez in the Gaither and

Mercanalisis results, rising to higher levels of acceptance and credibility than all the other precandidates involved in the electoral contest leading to 1993, the year when the new president of the republic will be elected.

Twenty years ago presidential elections in Venezuela seemed like a closed contest between two options: Democratic Action and COPEI [Social Christian Party]. Now, opinion polls present a different view: the two-party system will break up in the coming presidential elections of 1993.

Rafael Caldera has again decided to seek the possibility of gaining Miraflores, even though he has not yet said it clearly in public, and through quiet and persistent work, supported by the intellectual prestige he holds throughout Latin America, he seeks to be perceived as the politician capable of pulling into his fold vast sectors that, until now, have shown themselves to be indifferent to traditional political parties. The lifelong senator wants to go far beyond party affiliations.

Caldera: New Fujimori?

Furthermore, the founder of the green banner is presented by his followers as the alternative similar to the one that brought Peruvian Chief of State Fujimori to the presidency, when no one considered him a winner.

They establish the parallels by recalling that Rafael Caldera governed between 1969 and 1974, and then removed himself from active political life in COPEI, to return with his baggage of a veteran fighter whose moral solvency and credibility among the people elevate him above the other aspirants.

Now he is capitalizing on the growing discontent over the predomination of the status parties. His prestige stands out in a highly corrupt and untrustworthy environment, in a universe of more than 10 million voters.

The polls carried out the second half of this year clearly indicate that the approaching electoral contest will be a three-way confrontation. The Mercanalisis poll shows Caldera in first place, followed by the AD precandidate and current mayor of Caracas, Claudio Fermin, followed by Eduardo Fernandez. Another firm, Eugenio Escuela C.A., shows similar results in a poll carried out in August and September.

The US polling firm Gaither, in its most recent poll commissioned by the Venezuelan Government, and of purely social democratic inspiration, gives first place to former president Caldera, followed by Fermin and Fernandez.

The aforementioned results will undoubtedly encourage the Calderists, who highlight the success of their efforts by recalling that while the other two candidates enjoy significant economic and advertising resources, not to mention their party machinery, Caldera, on the other hand, currently has only his public image and the prestige of his name.

Sociological Phenomenon

In addition, in attempting to analyze the aforementioned sociological phenomenon, it must be recalled that until the 1989 municipal elections, electoral orientations and preferences were divided along party lines. Caldera himself was president for the first time supported by the party he founded 45 years ago; nevertheless, he now comes with a fame that began in his student years and in the faculties of Judicial Sociology and Labor Law.

Today, involved in the accelerated rhythm of Venezuelan politics, Caldera seeks an option that is gradually growing more viable as a result of the enormous waste from the traditional administrations, as well as their low levels of credibility. In the view of the experts, that tends to concentrate preferences on highly popular personalities, such as writer Arturo Uslar Pietri; Jose Vicente Rangel, a journalist whose accusations have high credibility; or current Attorney General of the Republic Ramon Escovar Salom.

According to an analytical study by the Institute for Political Studies of the Central University of Venezuela, the preference for Caldera has little or nothing to do with ideological questions, since everything is personal. It is an ethical question in an environment of scandals, personal immorality, and administrative corruption. Furthermore, an undeniable result is that his behavior has been different in a country where they deprive the military in favor of the Public Treasury and official profiteering. In addition, his presidential administration was considered to be good and radically honest.

Another argument that some political analysts put forth refers to the possibility that Caldera could be representing the reality of the change that has been occurring for 20 years between the AD and COPEI, the traditional parties representative of the most stable democracy in the New World. They have alternated in power, because they have had no adversaries of any importance. Political understandings and bureaucratic compromises have been the norm that whole time.

As a result, the Calderists have a constant complaint: the costly propaganda campaigns to counteract Caldera's advance. Those attacks have been centered on the lifelong senator's age: 75 years, and the fact that he represents the past in economic and financial terms.

Nevertheless, they say that those attacks have had results opposite from what was intended, since they ensure that Caldera shows positive growth, while his opponents show worrisome declines. They support this divergence, recalling that the polling firm Mercanalisis warned that the strongholds of Calderism are the large cities like Maracaibo, Valencia, Maracay, Barquisimeto, and Caracas, where more than 60 percent of the Venezuelan electorate is concentrated.

The aforementioned polling firm indicated that Caldera has low penetration in the rural zones, particularly in the most remote of the large cities. On the other hand,

among the youth population, the veteran politician is ahead of his closest competitor, current COPEI Secretary General Eduardo Fernandez, who is 50 years old. Meanwhile the AD continues to be the great unknown, since it has not yet named its candidate.

Key to the Unknown

In seeking to find the key to the unknown that the white banner is presenting, it may be said that if AD is successful in launching a candidacy unifying the membership and the leadership, it could remain in power. EL DIARIO DE CARACAS said recently in a special report that Democratic Action is in a true quandary, because its most popular aspirant, Mayor Claudio Fermin, is a factor of internal division, and its most attractive aspirant, Carlos Canache Mata, sticks with the party chiefs.

In the face of these options, Caldera's collaborators are rubbing their hands in glee, because they consider it certain that significant numbers of AD members or sympathizers will support the COPEI founder, and furthermore, that the former leader of the AD deputies, Canache Mata, does not have sufficiently solid support to win beyond his party's traditional borders.

Meanwhile, in COPEI, the Social Christians are experiencing a great deal of anguish at the confrontation between Caldera and Fernandez, which obscures an encouraging possibility: the certainty of coming into power in 1993.

Calderism is driving the possibility that the legitimacy of Caldera's leadership is conceded by the thousands of militants who would be willing to support him as soon as his candidacy is official. Except that there are also many Christian Socialists, who would not be willing to follow the party founder beyond the borders of the organization. They are not capable of risking years of militancy and struggle, without having the assurance of victory.

Until now Caldera, a close follower of the twists and turns of Venezuelan politics, has not communicated his decision in his own voice. In that respect, the man who led Eduardo Fernandez's election campaign, former Intelligence Minister Luis Alberto Machado, maintains that the secretary general of the green banner should resign in favor of the lifelong senator. He argued that in that way the unity of the only Venezuelan political party that has not split up in what is going on one century would be saved.

Nevertheless, Fernandez is unmoved by such requests, even when they call him stubborn and blame him for a supposed disintegration, both of himself and of his sector within the party. He himself is certain of winning, and does not hesitate to say that he will be the next president of the republic, with or without Caldera. To that end, he enjoys economic resources and national and international political support, since his constant trips abroad are not exactly for pleasure. Being president of the International Christian Democracy has facilitated his work significantly.

The Toboggan of Pragmatism

A possible split within COPEI would have the undeniable effect, in addition to that of the split itself, of defeating the structure of the green banner throughout the whole country.

The split would worsen the organization's situation to unprecedented levels. In addition, it would psychologically strengthen its adversary. If Democratic Action carries 20 percent with the split, it would not be unthinkable for that to contribute to creating elements of reunification and mystique.

There is also another element: the economy of the vote on the part of those who are always the winners. That could mean an increase of 30 percent at the voting booth for the AD. The percentage would climb much more when a strong election campaign is taken into account. That would generate an overwhelming victory by the white banner.

Another risk for COPEI, if it allows a split, is that it could be playing toward its disappearance as the country's second political force. The situation is then one that cannot be managed with joy, nor lightly, through insults and accusations.

In the view of the Social Christians, political maturity, good morale, and a spirit of solidarity must be imposed, otherwise the fatal breakup is inevitable, further resulting in great damage to democratic institutions, and would dash the hopes of many Venezuelans disappointed with President Carlos Andres Perez's administration.

In addition, there is another element against COPEI: institutionally, for some years it has ridden a toboggan of pragmatization. Ideological congresses and discussions of programatic issues are seen as mere facades, adornments, and not as essential aspects of a political organization.

The national leadership of the green banner, it seems, has not concerned itself with putting real interest in the party's ideological and doctrinal definitions to develop its policies. As a consequence, there can be no training of relief cadres of a Christian Socialist conceptual nature.

That is one of the most severe criticisms that COPEI should analyze, in which apparently the process of creating new leaders has stopped.

This is a deficiency shown not only by members of COPEI, but also a good proportion of the Venezuelan leadership, which has been losing its credibility in public opinion, and its capacity for training and reflection, very important elements that have a determining effect on the

very development of political and social forces. Likewise, the movement toward neoliberal proposals tends to diminish the traditional importance of the leadership's role in the country.

* Commentary Analyzes MAS Electoral Strategies

92SM0210A Caracas EL NACIONAL in Spanish (Section D) 23 Dec 91 p 2

[Article by Oswaldo Gutierrez]

[Text] The coming elections to be faced by the Movement Towards Socialism [MAS] are an opportunity to increase the size of its representation over the 1989 electoral results, and at the same time clarify its position within the national political landscape, which is characterized by wide-spread skepticism.

So far, two movements within the party have been identified for defining the alliance strategy, which has shown itself to be successful in past municipal elections.

An unavoidable result is the one sung by the background chorus in the opera Evita: "There are no rules, nor can there be, to play for power, if you're going to win, in the art of politics...."

Something similar to this musical expression is what is beginning to resonate throughout the halls of the MAS leadership, which has before it the task of defining the strategy that in December 1992 will lead to an increase in the current representation: one governorship in particular, four in total, and 23 mayorships.

Along these lines, during the coming year MAS must forget about the broad ideological questions such as, for example, what to do with its socialist "S" (a concern not only of Cabruja), and resolve the two election-related issues that are approaching.

What this involves for MAS members is committing themselves to a process that will yield them benefits beyond the act of creating the alliances, which was carried out successfully in 1989.

In both the municipal and the presidential elections, it requires a strengthening of the party at a time when the so-called "citizen opinion matrix" prevailing within the country rejects militant politics from among the realm of possibilities leading to progress and development.

With things thus, the MAS's high leadership is beginning to rack their brains on the "gambits" that the alliance chess game places before them.

The Two Movements

At the end of 1991 two movements exist within the MAS, on the issue of electoral requirements.

The first has been identified as the so-called "extended agreement," which is supported by Freddy Munoz and which appears to have the backing of other members of the national leadership, such as Pompeyo Marquez and Leopoldo Puchi.

In general terms, the "Munozists" propose an agreement with COPEI, which without being national in scope (e.g., the presidential elections), goes beyond simple local agreements and touches upon federal entities.

This agreement would benefit the COPEI [Social Christian Party] Secretary General in his search for broader support in the face of the fearsome confrontation with Rafael Caldera, and at the same time would help profile the slate of candidates the MAS proposes.

The second movement is the "simple agreement," which is proposed by Teodoro Petkoff, Moises Moleiro, and Hector Perez Marcano, among others.

These national leaders maintain that agreements with COPEI should be exclusively local, without "tying" them down to broader commitments (meaning consensus on governors or opposition legislative entities).

Unlike the previous analysis, this one concludes that the alliance policy should be defined by regional directions.

State Situation

In mid-August, 1989, more than three months before the regional elections were held, polls showed Democratic Action to be the election winner in Carabobo (Oscar Celli), Bolivar (Jorge Martinez), and Anzoategui (Otto Padron).

In two of the electorates, Carabobo and Anzoategui, the preliminary results were reversed, thanks to the MAS-COPEI alliance.

Now, both parties are beginning to make similar examinations, state by state, to determine which might be the object of alliances, and which not.

A special case is Aragua. Internal problems have arisen in this state, in which Carlos Tablante is accused of going over the heads of the regional leadership and allying with COPEI deputies in the Legislative Assembly.

In this case the MAS faces the question of whether or not to back a new candidacy on the part of Tablante, who despite being surrounded by scandal, continues enjoying notorious popular support.

The possibility of having to face Paciano Padron is another of the variations revolving around this case.

Lara State also presents particular ingredients that the orange party would like to define.

It is said that out of all the administrations where the MAS could present a winning candidate that would be supported by COPEI, Lara would be the exception.

Here, Macario Gonzalez's candidacy is considered certain, as he received 27 percent of the vote in 1989, giving him second place after Mariano Navarro.

Eduardo Fernandez would reject Gonzalez's candidacy, because the latter would head up a movement within the MAS to support former president Caldera's candidacy.

The Tachira case is also creating discussion within the heart of MAS.

It is known that Walter Marquez's second-place showing in 1989, with 28 percent of the vote, is perceived as a winning hand in the next elections.

COPEI supports Abdon Vivas Teran and Cesar Perez Vivas, who, however, do not enjoy Eduardo Fernandez's blessing.

The Zulia case would be worthy of a more detailed analysis than what is possible in this general piece.

Curiously, the MAS alliance would in this case be with the AD, around the candidacy of Americo Araujo, to attempt the defeat of Oswaldo Alvarez Paz.

Although MAS knows that it will be difficult to achieve the 32 percent that the well-remembered Luiz Homez received in the previous elections, it believes that it has relatively strong candidates in Lolito Aniyar and Juvencio Pulgar.

The latter, however, does not enjoy the total support that, it is said, backs COPEI's Eduardist sector.

Other States

Another approximate definition of what MAS will do in the announced elections would be:

Nueva Esparta: support for Fucho Tovar, who in 1989 came in second with 48 percent.

Carabobo: support for Salas Romer's reelection.

Monagas: support for Jose Aristimuno, former AD member and now a member of COPEI.

Delta Amacuro: No agreement with COPEI, because of MAS member Armando Salazar's problems with COPEI.

Miranda: support for Arnaldo Arocha.

Portuguesa: COPEI's backing of Ivan Colmenares, who in 1989 came in second with 33 percent of the vote.

Finally, for the Caracas mayoral election, MAS members remain concerned, given that the emerging candidate, Teodoro Petkoff, will not declare himself, nor does his prestige appear threatened within the party or outside of it.